Bystanders Don’T Just Stand By: the Influence of Social Presence on Service Experience

Yi He, University of Hawaii
Qimei Chen, University of Hawaii
Dana L. Alden, University of Hawaii

Continuous improvement in customer relationship management is a necessity for companies wishing to remain competitive in today’s service industry. The two studies presented herein respond to this need by testing a new nomological net that features social presence and its moderators as antecedents to service satisfaction and behavioral intentions. Study 1 discovers that when service encounters are positive, social presence enhances satisfaction and behavioral intentions. However, when the service encounter is negative, the impact of social presence is more complex. Study 2 examines this complexity and uncovers that social presence effects are outcome attribution-dependent and cultural orientation-contingent.

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Yi He, University of Hawai‘i, USA
Qimei Chen, University of Hawai‘i, USA
Dana L. Alden, University of Hawai‘i, USA

EXTENDED ABSTRACT

Remaining competitive in today’s rapidly changing service industry requires continuous improvement of customer service. Despite the renewed importance of service satisfaction, this subject matter has been approached mostly by examining comparatively stable individual factors that influence satisfaction (e.g., expectation, Oliver 1997; product expertise, Alden, Hoa and Bhawuk 2004). The more transient and malleable situational cues (e.g., social presence) have received limited attention. Seeking to bridge these gaps, we have conducted two experiments in China and the United States to: 1) evaluate the impact of social presence during positive as well as negative service encounters, 2) test for ways that culture moderates the hypothesized social presence effects, and 3) establish a new nomological net that features social presence and its moderators as antecedents to service satisfaction and behavioral intentions.

Customer service satisfaction primarily refers to affective responses to service encounters, with an emphasis on experience- and transaction-specific encounters (Schneider and White 2004). Generally the experience of positive (negative) emotions has been found to increase (decrease) customer satisfaction (Menon and Dube 2000; Oliver 1996). Social presence has been linked to several other constructs including the experience of positive and negative emotions. Webster et al. (2003) found that publicizing academic success in the presence of peers enhanced college students’ feelings of pride. These results suggested that including social presence as a moderating factor related primarily to emotional experiences in service consumption settings might enhance the theoretical richness of the customer satisfaction model. Finally, as the impact of social presence originates from the need for social approval and acceptance with the intention to protect social image (Costa et al. 2001; Goffman 1967), it has clear cultural linkages.

Study 1

Study 1 aimed at testing the overall moderating impact of social presence on positive and negative emotional experiences in a service setting. Cultural strengthening/weakening of those effects was also tested. It was hypothesized that social presence will enhance satisfaction when the valence of emotion is positive, and reduce satisfaction when the valence of emotion is negative. We also hypothesized that social presence effects for collectivistic (individualistic) consumers will be stronger (weaker).

Two factors were manipulated using different treatment scenarios in a service setting that was very familiar to college students in both countries—a college bookstore. The scenarios featured both textual description and culture-free cartoon illustration. The first factor, service experience, was manipulated by depicting interactions between a service provider and a college-age customer in a polite or rude manner. The second factor, social presence, was manipulated using the cartoon illustrations. In the social presence condition, other customers were depicted in a manner so that it was clear they could overhear the conversation between the service provider and the customer. In the no social presence condition, no other customers were depicted. Therefore, study 1 featured a 2 (service outcomes: positive vs. negative) X 2 (social presence: social presence vs. no social presence) X 2 (cultural value-orientation: collectivist/China vs. individualist/US) between-subject design. Key outcome measures include: satisfaction and behavioral intentions.

The results of study 1 indicated that social presence enhanced satisfaction when the service encounters were positive (M=4.9 versus 4.1, t(93)=1.86, p<.04). However, social presence did not appear to influence service evaluation during negative service encounters. Further, the hypothesized moderating effect of cultural value-orientation was not found.

Study 2

In study 2, we examined the interaction effects involving the type of social presence and service outcome attribution on service satisfaction and behavioral intentions. To address the “ecological fallacy” issue (Smith 2004), we revisited the effect of cultural value-orientation using an individual-level measure—self construal. Classification of self- versus other-attributed emotions is based on whether the cause of dissatisfaction lies in the self or other people (Oliver 1993). The effect of social presence on emotions is triggered by concerns about social evaluation (Schlenker and Leary 1982). It was hypothesized that that the negative effect of self- versus other- attribution will be stronger when out-group observers are present versus no observers. We also hypothesized that consumers who are low on independence, due to their increased sensitivity to contextual social factors such as social presence, should react to negative service encounters more negatively whenever others are present (regardless of the type of presence) than when they are alone. By contrast, social presence should have little or no impact on consumers who rate themselves as high on independence.

Participants were asked to read a cartoon scenario depicting a disagreement between a customer and a bookstore cashier. Self- versus other-attributed emotions were manipulated by scenarios in which either the bookstore employees or the customer was clearly responsible for the problem leading to the disagreement. For the type of social presence manipulation, cartoon figures were identified using captions as either friends or strangers. As such, study 2 employed a 2 (self-attributed versus other-attributed negative service outcome) X 3 (in-group social presence, out-group social presence versus no social presence) X 2 (high-versus low-independence between-subject design).

The results of study 2 indicated that compared with no social presence condition, social presence (in-group or out-group) significantly increased the negative effect of a disappointing self-attributed service encounter but reduced the negative effect of a disappointing other-attributed service encounter. Further, social presence reduced the negative effect of a service disaster on service evaluation for consumers with high independent self-concepts [satisfaction: M=3.7 versus 4.2, t(161)=1.46, p<.08; intentions: M=3.4 versus 3.8, t(161)=1.40, p=.08] and increased its negative effect for consumers with low independent self-concepts [satisfaction: M=4.0 versus 3.3, t(145)=1.88, p<.03; behavior intention: M=4.3 versus 3.5, t(145)=2.36, p<.01].

Overall, the present research revealed the intricate interplay of situational cues (social presence and its type), a customer factor (cultural value-orientation) and a provider communication factor (attribution) on evaluation and intentions. Social presence remains an interesting and understudied construct in consumer research that represents fertile ground for further exploration.
References