Suffering in Silence: Close Customers’ Reluctance to Complain Damages Service Relationships

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Service firms advocate for close relationships with their customers. However, close relationships may deter customers from providing valuable feedback resulting in customers’ higher likelihood to defect. We consider how close (vs. distant) customers’ likelihood to offer feedback following a service experience affects their downstream behavior.

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Paper #1: Suffering in Silence: Close Customers’ Reluctance to Complain Damages Service Relationships  
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Paper #3: The Effects of Consumer Vulnerability on Service Evaluations and Wellbeing Outcomes  
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Paper #4: Acknowledging Consumer Gratitude: Leveraging the Voice of the Consumer to Increase Loyalty  
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SESSION OVERVIEW

Building on existing literature, the proposed session will contribute to a better understanding of how consumers engage with service firms. Research papers to be presented investigate this topic from multiple theoretical and substantive perspectives, offering a broader view of consumers’ perceptions of positive and negative service relationships. Given the growing importance of service relationships for both service and product firms, a better understanding of how consumers react to and benefit from and are negatively impacted by good (vs. bad) service experiences is likely to have a significant effect on future research on service quality. The proposed session will contribute to the understanding of several content areas that are of great interest to ACR conference attendees, including social closeness, consumer revenge, consumer vulnerability, and customer satisfaction.

Broadly, the four papers in the session explore consumers’ response to service experiences. First, Anderson et al. examine the issue of consumer complaining through the lens of consumer vulnerability. They introduce a new construct of consumer vulnerability and define it as a state that arises when individuals face potential high levels of perceived risk coupled with low levels of perceived control. The authors present a research model that shows a significant correlation between complaint rates and customer satisfaction levels which the authors theorize is driven by the differential vulnerability of the individual.

Building on this research, both Umashankar and Ward as well as Rohani et al. examine how consumers respond to service failures and how self-expression can sometimes mitigate the residual negative feelings the consumer harbors toward the provider. First, Umashankar and Ward observe how the social closeness between the service provider and the consumer impacts the way in which complaining affects consumers’ perceptions of the firm after a service failure. They show that customers in close (vs. distant) relationships are less likely to complain after a service failure, and that when consumers do so, close consumers feel more positive about the provider as a result, while distant consumers subsequently feel more negative about the provider. In related work, Rohani et al. look specifically at consumers’ desire to take revenge on the firm. They show that revenge can be mitigated with time and surveys. Specifically, the authors show that time reduces the desire for revenge when combined with answering multiple surveys as consumers experience some catharsis from giving feedback. However, the passage of time without the presence of surveys surprisingly has an amplification effect on desire for revenge.

Lastly, Fombelle et al. examine customer service experiences from the opposite perspective and investigate the effects of acknowledging very satisfied customers. The authors demonstrate the benefits of acknowledging positive feedback from consumers following a successful service experience. This research demonstrates that better management of the post-purchase process for the most satisfied consumers can provide substantial gains for firms in the form of increased patronage and loyalty.

The discussion will aim at facilitating a broader understanding of consumers’ engagement (positive and negative) with service firms. Across the four papers, the way in which firms enable and respond to consumer feedback after a service experience will be considered with an eye on investigating the key questions of: How should and when should firms encourage consumer interaction after a service? How does the mode of expression affect consumers’ subsequent perceptions and actions toward the firm?

Suffering in Silence: Close Customers’ Reluctance to Complain Damages Service Relationships

EXTENDED ABSTRACT

Firms strive to create strong relationships between their service providers and customers (Yim, Tse, and Chan 2008). Indeed, strong customer relationships drive favorable word of mouth (Verhoef, Franses, and Hoekstra 2002), justify price premiums (Bolton 1998), and lower staff turnover (Sheth and Parvatiyar 1995), all of which leads to higher firm profits. Such relationships can be cultivated through close customer-service employee interactions, which help strengthen customer–firm linkages (Yim, Tse, and Chan 2008). Furthermore, the extant literature on customer service relationships touts the benefits of close customer-service employee relationships insofar as when something goes wrong, consumers are more forgiving if the service relationship is built on friendship rather than on an exchange relationship (Goodwin 1996). However, more recent research suggests that close relationships with customers may not always benefit the firm. In fact, when consumers have a ‘friendship’ with the firm, in some instances they have stronger negative reactions to a service failure (Wan, Hui, and Wyer 2011). Yet, the few papers that exist in this area largely focus on customers’ perceptions of a service failure as the outcome of interest rather than the consequences of these perceptions, for the firm. Wan, Hui, and Wyer (2011) aptly note that future research should consider, “Other reactions, such as complaining and switching service providers.”

In this research, we build on prior findings and consider how providing feedback may impact consumers’ subsequent behavioral responses to the provider (i.e. perceptions of the provider, consumer loyalty) after a service failure or a delightful customer experience.
The act of self-expression (in the form of complaining or complimenting) can be beneficial for consumers as complaining is cathartic and enables them to air their grievances and express their disappointment while complimenting may intensify the positive experience (Bearden and Oliver 1985; Aliche et al. 1992; Dunn and Dahl 2012; Pennebaker and Beall 1986). However expressing one’s opinion can also make the issue more salient to the individual. We identify the moderating variable of social closeness in differentially predicting whether self-expression is beneficial or detrimental to consumers’ loyalty to the firm after a service failure. Research on social closeness indicates that although individuals in close relationships are more likely to self-disclose, they are also motivated to limit direct, negative feedback or express negative emotions in order to keep the relationship intact (Bell 1978; Locke and Horowitz 1990; Sommers 1984).

Given the extant research on self-disclosure to close others, we predict that customers in close (vs. distant) relationships will be less likely to provide feedback (complain) after a service failure, whereas they will be more likely to complement the provider following service delight. Furthermore, we predict that when consumers do complain, close consumers will feel more positive about the provider as a result, while distant consumers will subsequently feel more negative about the provider. Three studies support these predictions.

**Study 1**

In our first study we asked participants to recall and describe a very poor (vs. delightful) service experience with a close (vs. distant) service provider. Participants were then asked whether they gave feedback to the service provider. The data reveal a main effect such that participants were more likely to give feedback to the provider after receiving a delightful experience. However, as predicted the main effect was qualified by a marginal interaction with social closeness such that after a poor experience, individuals were more likely to give feedback to a distant (vs. close) service provider ($F(1, 134) = 3.65, p < .06$).

**Study 2**

Based on the open-ended responses to Study 1, we created a scenario that drew from common experiences reported by our participant pool. In our second study, participants read a scenario which manipulated both the service experience and the social distance between the participant and the service provider. In a 2 (service experience: poor vs. delightful) x 2 (social closeness: close vs. distant) experiment, participants read about receiving an excellent (vs. terrible) haircut from a hairdresser with whom they had a very close (distant) relationship. Again, the data reveal a main effect such that participants were more likely to give friendly feedback after receiving a delightful (vs. complaining after a bad) experience ($F(1, 152) = 19.24, p < .001$). However, a marginal social closeness by experience interaction ($F(1, 152) = 3.75, p < .05$) was also replicated, indicating that when consumers who receive a disappointing (vs. pleasing) service from a close (vs. distant) provider, they are less likely to voice their dissatisfaction.

**Study 3**

Finally, we more closely examine the process of giving feedback after a bad experience, and how giving feedback effects consumers’ subsequent desire to return to the service provider. In a 2 (social closeness: close vs. distant) x 2 (subsequent complaint: complain vs. no complain) experiment, participants read only the poor service scenario. After reading the scenario, participants had (vs. did not have) an opportunity to complain about the poor service they received. We find a marginally significant interaction ($F(1, 224) = 2.61, p < .10$) such that close customers who complain (vs. do not complain) are more likely to return to the hairdresser, whereas distant customers are less likely to return to the hairdresser after complaining (vs. not complaining). The results indicate that while complaining enables close customers to express their discontent thereby mitigating their bad experience, it may increase distant customer’s focus on the service failure and lead them to abandon the provider.

**Pour Oil on Troubled Water: The Effects of Mere-Measurement and Time on Customer Desire for Revenge**

**EXTENDED ABSTRACT**

Since revenge significantly affects both victim and offender, research on revenge has received increasing attention in the psychology (McCullough, Fincham, and Tsang 2003; McCullough, Kurzban, and Tabak 2010) and marketing literatures (Grégoire, Tripp, and Legoux 2009). One of the most robust findings is that revenge substantially and quickly decreases over time. It has been convincingly argued that revenge is associated with intense emotions (e.g., anger) and cognitions (e.g., betrayal) that are difficult and unhealthy to sustain over time.

The current research further explores the effects of time on customer desire for revenge, which is defined as the motivation of bringing the firm down to get justice after a service failure (Bechwatwi and Morrin 2003). The research addresses a key weakness of most longitudinal designs which refers to the confounding effect of the variable “time” with “answering a survey”. We argue that very fact of answering a questionnaire can influence a desire for revenge. This effect is known as the mere-measurement (Fitzsimons and Morwitz 1996). In other words, this research wonders whether the observed reduction in revenge over time is caused by a mere-measurement effect, the effect of time, or the combination of both factors.

Two rival explanations exist for the mere-measurement effect in this context. The “catharsis effect” paradigm argues that answering a survey about service failures allows customers to vent their negative emotions and actively process the situation (Barclay and Skarlicki, 2009); this effect would reduce a desire for revenge over time. On the other hand, the “amplification effect” paradigm suggests that answering questions about an unfair experience may lead customers to mentally re-experience the service failure (Chandon et al. 2011; Fitzsimons and Morwitz 1996), which would reinforce a negative mood and enhance rumination (Bono, McCullough, and Root 2008; McCullough et al. 2001). This alternate process would sustain customer desire for revenge over time.

To address this issue, we performed a longitudinal experiment with an online third party organization, ConsumerAffair.com, over 60-days. The study involved two conditions. The first condition involved four series of questionnaires that were administered every two weeks over two months. The second condition involved a survey that was sent only at the end of two months. Participants were randomly assigned to one of the two conditions. In the first condition, 111 customers completed the four surveys over time. In the second condition, 56 participants completed the only survey received after the two month period. The “desire for revenge” is measured with an established five item scale ($α=.96; M=3.41; SD=2.11$) (Grégoire, Tripp, and Laufer 2009).

For the first condition, we analyze the evolution of the means with a within-subject ANOVA with the four levels of revenge desire that correspond to the four waves. Overall, the coefficients for the linear term ($F(1, 111)= 22.11; p < .000$) and the quadratic term ($F(1, 111)= 4.97; p < .028$) are both significant. This result implies that the
desire for revenge decreases following a quadratic pattern over time. Moreover, the desire for revenge of the participants who answered only one survey at the end of two months is significantly higher compared with those who received a survey at wave 1 (M=4.32>M=3.41; t[50]=2.82; p=.01) in the other condition. Another t-test reveals that the desire for revenge of the customers who answered multiple surveys over the two months is significantly lower than those who answered one survey at the end of the two-month period (M=4.32>M=2.58; t[162]=4.87; p=.000).

Overall, our findings offer a better understanding of the effects of time on desire for revenge. On the one hand, time reduces the desire for revenge when combined with answering multiple surveys. In this first case, we found a catharsis effect of answering multiple surveys over time, which is consistent with the result of previous studies. On the other hand, time without the presence of measurement bias surprisingly has amplification effect on desire for revenge. Customers who did not answer a survey about a service failure in the two-month period have the highest revenge desire. This result may be explained as follows: customers did not have the opportunity to retrieve and re-process their negative experience by answering multiple surveys. This important result contradicts most evidence reported in the revenge literatures, and questions the appropriateness of many longitudinal designs.

The Effects of Consumer Vulnerability on Service Evaluations and Wellbeing Outcomes

EXTENDED ABSTRACT

Working with a large health service provider, we explore the effects of consumer vulnerability on post-service failure evaluations, outcomes, and behaviors. First, we introduce an individual-level, multidimensional construct of consumer vulnerability (potential harm, perceived level of risk, perceived level of control). Then, we develop a framework of post-service failure evaluations, outcomes, and behavior as a function of consumer vulnerability. Consumer vulnerability in the health care domain is of utmost importance, as patients may experience physical pain, psychological pain, illness, fear of the unknown, and a perceived lack of control during the service interaction (Berry and Bendapudi 2007). Not only can service failures in health care lead to objective harm to patients/consumers, the resulting drops in service quality and customer satisfaction scores can lead to decreases in federal funding for the health care institution and decreases in pay-for-performance for providers. Our key research question is: how does consumer vulnerability influence evaluations of the service experience, complaint behavior, and ultimately the health and well-being of the consumer? In examining department-level patient satisfaction and complaint data, we identified a positive correlation between complaint rates and customer satisfaction levels in some departments; these departments received high patient satisfaction scores but also high rates of complaints. We believe that the different levels of consumer vulnerability within each department may be driving this relationship, perhaps due to the differences in customer expectations for the service encounter and differences in the criticality of care.

The construct of consumer vulnerability is becoming increasingly important due to changing economic conditions, evolving health complexities and disparities, immigration patterns, and the widening educational divide. In this research, we define consumer vulnerability as a state that arises when individuals facing potential economic, physical, or psychological harm experience high levels of perceived risk coupled with low levels of perceived control. Our conceptualization allows potential harm to be present, (e.g., membership to a vulnerable population, such as a cancer patient), but if that individual feels in control of their health, then individual-level vulnerability can still be relatively low. Vulnerable populations or groups have been covered quite extensively in the macro-marketing sense (see Journal of Macromarketing December 2005); researchers typically discuss vulnerability as a grouping variable, with vulnerable populations characterized by their degree of physical sensitivity/competency, mental competency, and sophistication level (Morgan et al. 1995). In the consumer literature, individual-level consumer vulnerability has been discussed in Luce and Kahn (1999) and the Health Belief Model (Becker 1974, Rosenstock 1974), where vulnerability is operationalized as one’s perceived susceptibility to contracting a disease in the future.

Here, we re-conceptualize consumer vulnerability as a multidimensional, higher-order construct with three dimensions: potential harm, perceived level of risk, and perceived level of control. The first dimension, potential harm is the presence of chronic or situational factors that pose objective threats to an individual, such as individual characteristics (e.g., physical issues), individual states (e.g., grief), and external conditions (e.g., discrimination) (Baker, Gentry, and Rittenburg 2005). The second dimension, one’s perceived level of risk, is a subjective perception of susceptibility to harm caused by a potential threat (Luce and Kahn 1999; Rosenstock 1974). And the third dimension, perceived level of control is a belief about one’s influence over outcomes and events (Klein and Helweg-Larsen 2002; Wallston et al. 1987). A new diagnosis or false-positive test results can lead to a loss in one’s sense of control and order (Luce and Kahn 1999; Pavia and Mason 2004). Loss of control over the service outcome can cause customers to experience stress, anxiety, and feelings of low self-efficacy (Berry and Bendapudi 2007).

We then explore how the construct of consumer vulnerability operates within a service evaluation and outcome model. We posit that vulnerable consumers are more likely to be physically or psychologically harmed during a service failure, especially within a health care context. We also build upon the classic expectation/disconfirmation models of perceived service quality (Parasuraman et al. 1985) and customer satisfaction (Oliver 1980; 1993), to suggest that consumer vulnerability influences service evaluations and outcomes by impacting one’s expectations for the service experience. We hypothesize that higher levels of vulnerability may lead to greater expectations for the service interaction, as the consumer has a greater need for critical care, objectively and subjectively. To test
our hypothesis, we conducted a pilot study using department-level survey data for 32 departments. In the survey, we asked three independent coders to evaluate some of our key variables by department. The coders were selected for their wide base of knowledge about the health care institution and all of its departments, but were completely blind to our research hypotheses and purpose of the study. The coders rated patient-provider relationship strength and length, health severity and complexity (objective harm), patient expectations for care, and subjective wellbeing. We found a positive correlation between health severity and service expectations \( (r = .36, p < .05) \) and a positive correlation between health complexity and service expectations \( (r = .37, p < .05) \). These results provide some initial department-level support for our hypothesis that a patient’s vulnerability may influence expectations for the service interaction. We are now analyzing patient-level satisfaction data to test our full model.

Overall, we introduce a new conceptualization of individual-level customer vulnerability and present a transformative consumer research model of how vulnerability may influence post-failure evaluations, outcomes and behaviors. Our research provides new insights to researchers interested in individual-level vulnerability, as well as to service firms for understanding the role of consumer vulnerability in shaping service quality and satisfaction ratings. We hope to start the discussion of how we can deliver services in a manner that decreases consumer vulnerability by potentially increasing perceptions of control or reducing perceptions of risk. While we look at these relationships in the context of health care, we expect similar issues to be present in encounters with critical services, such as in the areas of financial services and education.

Acknowledging Consumer Gratitude: Leveraging the Voice of the Consumer to Increase Loyalty

EXTENDED ABSTRACT

When consumers’ purchase experiences end in dissatisfaction, complaints are often triggered and most customer-oriented firms invest heavily in recovery with hopes of addressing their complaints and restoring loyalty. While addressing complaints is certainly a critical customer service strategy, it is imperative that these efforts don’t detract from investments in maintaining relationships with the most satisfied customers. In fact, evidence from companies like Starbucks suggests that the revenue differential between highly satisfied and satisfied customers dwarfs that of the difference between unsatisfied and satisfied customers (see Figure 1). More specifically, highly satisfied customers spend 3.4 times more over their lifetime than satisfied customers (Moon and Quelch 2006).

Data like these suggest that the savvy manager would dedicate more effort to managing relationships with their most satisfied consumers. Traditionally, most efforts focused on managing these relationships have centered on moments of truth during the core service experience. While these efforts help build baseline satisfaction levels with a focus on the service delivery stage of the purchase journey, they ignore post-purchase stages of the journey, which offer a great opportunity to build the relationship outside of the service facility. By leveraging ongoing consumer research efforts, firms can create new moments of truth focused on dialogue with their best customers. More specifically, when these most satisfied customers reply positively to customer satisfaction assessments, these words of praise traditionally are documented and then quickly forgotten. We contend that these words of praise represent an opportunity for service firms to create a new moment of truth focused on acknowledging the feedback and extending the dialogue with their best customers. Ultimately, these relational investments will increase bonds with their best customers and result in increased patronage.

Although research on acknowledgement of positive feedback is sparse in the marketing literature, several other streams of research are particularly applicable. At a fundamental level, research on reciprocity finds that people respond to each other in kind—positive actions on behalf on one entity elicit positive actions from another, and vice versa (Gouldner 1960). Relatedly, extensive research exists on the mechanism governing the process of expressing gratitude to a customer, as well as the resulting changes in behavior of that customer. The current research focuses on the organization’s expression of gratitude. We are suggesting that a simple expression of gratitude can result in relationship-building outcomes. Past research also suggests contingencies to this relationship. Drawing on literature from marketing, social psychology, information systems, and online commerce, the authors have identified acknowledgement type, acknowledgement speed, and reward provision as potential moderators to the relationship between acknowledgment and positive relational outcomes (see Figure 2 for Conceptual Model). First, the type of acknowledgement indicates the level of customization the company response includes in the expression of gratitude. The key question here is whether or not a customized response is necessary or if a generic expression of gratitude can suffice. Secondly, the timing of the acknowledgement may prove critical. While an immediate response may feel automated and disingenuous, a long delay may cause the consumer to feel like the company really didn’t care. We seek to identify the proper delay in company response. Lastly, a small token of appreciation or reward may play a key role. The nature of this reward may also be relevant, as monetary and social rewards may trigger different consumers from consumers (Heyman and Ariely 2002).

The current research seeks to understand the effect of extending the dialogue with very satisfied customers who offer positive feedback. Specifically, we investigate the effects of acknowledging very satisfied customers with an expression of gratitude via a brief email. Along with an initial pilot study, Study 1 utilizes an online, scenario-based survey to provide initial support for the benefits of acknowledging positive feedback from consumers following a successful service experience. In an effort to extend these findings, we partner with a large, full-service restaurant chain to conduct a follow-up lon-
The sample for Study 2 consists of customers of a large, full-service restaurant chain who indicated high levels of satisfaction on a guest satisfaction survey following a dining experience. Half of the sample received an acknowledgment email from the restaurant. Initial results are consistent with those found in Study 1, such that consumer attitudes and patronage intentions are significantly higher when an acknowledgment is received compared to when no acknowledgment is received. Interestingly, there appear to be significant gender differences, as well; acknowledgment positively impacts women’s attitudes and intentions significantly more so than men. Also, face enhancement and communal strength appear to fully mediate this relationship.

While the first phase of Study 2 data collection assesses the attitudinal changes associated with firm acknowledgment of positive feedback, the second phase will assess behavioral changes. Over a six-month time period, behavioral measures such as time until next visit, number of visits, and total spend per visit, will be tracked. Thus, we hope to provide support for the attitudinal and behavioral changes of acknowledging positive consumer feedback.

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