Service Recovery Observer Paradox: Using Negative Facebook Comments to Signal Trust and Honesty

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Using two controlled experiments, we demonstrate a “Service Recovery Observer Paradox”, whereby observers of service recovery efforts in response to negative Facebook comments develop stronger relations with the brand than when an insufficient or no service response is observed.

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EXTENDED ABSTRACT

Brands are often confronted with negative or inappropriate comments made on their Facebook pages. Judgments on whether or not the comment should be removed are often subjective. The temptation for social media managers is to remove all negative comments in an effort to protect the brand from public scrutiny. Common sense would suggest that deleting trolling-type comments intended to shock or embarrass is appropriate. But what are the implications of deleting comments from customers expressing genuine disgruntlement with the brand’s product or service? If not deleted, could these kinds of negative comments somehow help the brand?

Although there has been much research done in the Marketing literature to understand customer disgruntlement and service recovery (Aggarwal 2004; Davidow 2003; MacKinnon and Boon 2012), there has been little research done to understand how observer’s perceived satisfaction and trust are affected by a brand’s attempt to fix other peoples’ disgruntlement. Prior research has identified an opportunity for brands who engage in a service recovery incident to mitigate the negative effects of a transgression. Known as the “Service Recovery Paradox”, a disgruntled customer who experiences an effective service recovery may develop greater satisfaction with the brand than if the transgression never happened (Gilly 1987; Maxham and Netemeyer 2002; McCollough, Berry, and Yadav 2000; McCollough and Bharadwaj 1992; Smith, Bolton, and Wagner 1999). This is in contrast to the absence of an attempt at service recovery which may ultimately result in spiraling dissatisfaction. (Bitner 1990; Hart, Heskett, and Sasser 1990). One way consumers make judgments about the integrity of a brand is by observing the brands actions. (Kelley and Davis 1994; Ruyter and Wetzels 2000). Consumers may form opinions about a brand based on judgments and expectations of a brand’s equity and fairness. (Blodgett, Granbois, and Walters 1993; Oliver 1980). One byproduct of an effective service recovery is an increase in trusting intentions towards the brand (Tax, Brown, and Chandrashekaran 1998). Trust is thought to be a key mechanism affecting brand loyalty (Morgan and Hunt 1994). As a result of observing a brand’s potential for meeting expectations, consumers may form trusting relationships with a brand (Sirdeshmukh, Singh, and Sabol 2002), perceiving the brand to be honest and having integrity (Morgan and Hunt 1994; Sirdeshmukh et al. 2002). In light of these studies, we propose that observers of a brand’s successful service recovery effort may also form more positive judgments and expectations towards the brand, than if no transgression was perceived.

To test our prediction, we conducted two experiments using fictitious Facebook pages. Our results find that perceived satisfaction with the brand is greater for a service recovery perceived as sufficient, than a service recovery perceived as insufficient, and that perceived satisfaction with a brand is greater when a sufficient service recovery is observed, than when no transgression is observed (“Service Recovery Observer Paradox”). Our results also find that trust is greater for a sufficiently perceived service recovery than an insufficient service recovery, and that trust in the brand is greater when a sufficient service recovery is observed, than when no transgression is observed. Finally, we find that intentions to purchase are greater for a sufficiently perceived service recovery than an insufficient service recovery, and intentions to purchase are greater when a sufficient service recovery is observed, than when no transgression is observed.

When evidence of a service recovery was signaled by the brand, our research finds that respondents perceived the brand to be more honest, more genuine, and more trustworthy than when no service recovery was signaled. Our findings suggest that as a result of increased perceptions of brand integrity, respondents indicated they would be more likely to purchase the brand, and estimated they would be more satisfied with their purchase, than when no service recovery signal was given. Of interest, our results also showed that participants thought the brand with a service recovery signal was more honest, genuine, and trustworthy than when all comments were positive.

The implication of our findings for social media managers is clear. It is suggested that brands should not systematically delete all negative Facebook comments, but rather make a careful distinction between inappropriate comments, and comments motivated by genuine product or brand related disgruntlement. A negative comment from a customer who has a genuine product or brand related grievance could be viewed as an opportunity to signal to others an ability to recognize justice and offer a satisfactory recovery. Paradoxically, negative comments could translate it into increased brand loyalty and profitability.

LITERATURE CITED


