Is My Failure Your Problem?: Examining Carryover Effects of Prior Consumer Failure on Customer Satisfaction

Matthew J. Hall, University of Nebraska-Lincoln, USA
Jamie D. Hyodo, University of Nebraska-Lincoln, USA

Consumers often attempt and fail a task before calling a professional. We explore the impact of said failure on satisfaction with subsequent service provision. Four studies find that mindset and self-efficacy qualify positive responses to post-failure service offerings, with shame identified as a key mediating process.

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EXTENDED ABSTRACT  
While extensive literature has examined consumer responses to firm and product failure (e.g., Folkes and Kotsos 1986), less research has considered consumer failure. Literature on consumer failure has been limited to failure in isolation of firm interactions (Baumeister 2002), or the impact of failure experienced during firm interactions on subsequent firm interactions (e.g., Folkes 1984). Our research leverages the Do-It-Yourself (DIY) domain to show that consumers’ own failures influence how they perceive subsequent firm offerings addressing the failed task. While failure in this context has not been studied, evidence for potential consumer responses to such failure is mixed. From a goals perspective, task failure should elicit negative affect (Bagozzi and Pieters 1998), which is linked to negative consumption experiences (Alford and Sherrell 1996). However, from an attribution perspective, failure often signals increased task difficulty (Weiner 1985) which should increase satisfaction with subsequent firm completion of the task (Patterson, Johnson, and Spreng 1996).  

To explain these competing hypotheses, we identified consumer mindset (Dweck and Leggett 1988) as a potential moderator. Those with a growth mindset believe that intelligence and ability are malleable and can be improved increased effort (Dweck 2006). They appreciate the ability of others and view failure as an opportunity to learn and improve (Blackwell, Trzesniewski, and Dweck 2007). Conversely, those with a fixed mindset believe that intelligence and ability are relatively stable and frequently experience negative affect in response to failure (Dweck, Chiou, and Hong 1995). This suggests that while growth-minded individuals view failure as a learning opportunity, fixed-minded individuals interpret the same situation as a threat to their self and confirmation of their lack of competence.  

Self-efficacy was identified as another potential moderator as those with high self-efficacy tend to have higher involvement in a consumption domain (Xie, Bagozzi, and Troye 2008), which has been shown to amplify both positive and negative consumption experiences (Richins and Bloch 1991). Low self-efficacy, on the other hand, results in low involvement and less extreme reactions to failure (Weaver and Brickman 1974). We thus anticipate that consumers with high self-efficacy will have more involvement in the failed task, resulting in stronger responses to their failure and subsequent firm recovery. Additionally, we identified shame a potential mediating process to explain our hypothesized interaction effects because it is elicited by failure (McGregor and Elliot 2005), and is differentially impacted by mindset (Tracy and Robins 2006) and self-efficacy (Baldwin, Baldwin, and Ewald 2006).  

We leveraged the DIY domain to test our hypotheses because DIY attempts often result in failure followed by elicitation of professional services to complete the failed task (Wolf and McQuitty 2011). We conducted four studies across two tasks and two populations. First, to reconcile our competing main effect hypotheses, Study 1 employed an undergraduate sample (n=75) and a technology task to show that consumers have higher satisfaction with firm offerings when they have previously attempted and failed the task (M_{Failure}=5.53), compared with those who did not attempt the task prior to eliciting professional help (M_{NoTry}=4.93; F(1,71)=3.61, p=.04).  

Study 2 used an Mturk sample (n=160) and a plumbing-related task to confirm the moderating effect of mindset (measured variable) on post-failure carryover effects (F_{Interaction}(1,156)=2.25, p=.05). Our findings suggest that the positive main effect of failure only occurs for those with more growth-oriented mindsets (M_{Failure}=6.84, M_{NoTry}=6.2; F(1,156)=13.9, p<.001), while the effect for those with more fixed mindsets was nonsignificant (F(1,156)=.84, NS).  

In Study 3, we replicated interaction effects from Study 2 by manipulating mindset to increase causal interpretability (F(1,154)=8.17, p=.005). We used an Mturk sample (n=158) to replicate the simple effect of failure for those in a growth mindset (M_{Failure}=6.42, M_{NoTry}=5.68; F(1,154)=9.71, p=.002), while again showing no effect for those in a fixed mindset (F(1,154)=8.6, NS).  

Study 4 was designed to test the moderating effect of self-efficacy and the mediating effect of shame on the hypothesized interactions. We replicated the procedure from Study 3 using an Mturk sample (n=348) and added measures for self-efficacy, shame, and potential competitive affect mediators (Bolton, Keh, and Alba 2010). An ANOVA of failure, mindset, self-efficacy and their interactions on firm satisfaction revealed a three-way interaction (F(1,340)=3.86, p=.05) in which the previous two-way interaction (failure x mindset) emerged only for those with high self-efficacy (+1SD). As predicted, the interaction for those with low self-efficacy (-1SD) was nonsignificant. Hayes’ (2013) PROCESS Model 12 revealed that shame mediated the relationship between failure and satisfaction for those with a growth mindset and average (B=.14, SE=.06, 95% CI=[.03, .28]) or above average self-efficacy (B=.18, SE=.09, 95% CI=[.03, .38]), but not for those with low self-efficacy (B=.09, SE=.08, 95% CI=[-.05, .27]). Similarly, mediation was observed for those with a fixed mindset and low (B=.25, SE=.09, 95% CI=[-.45, -.11]) or average self-efficacy (B=.11, SE=.05, 95% CI=[-.24, -.02]), but not high self-efficacy (B=.03, SE=.08, 95% CI=[-.12, .19]).  

Overall, our findings show that consumer failures in isolation from firm interactions can impact firm outcomes. Specifically, we demonstrate that prior consumer failure positively impacts customer perceptions of firm actions for growth-minded individuals, while fixed-minded individuals have more adverse responses. Additionally, we show that those with a growth mindset are less satisfied with firm actions when they have not attempted the task. This suggests that it is not just failure that impacts satisfaction, but rather consumers’ overall experience in the domain. Additionally, we find that these reactions are accentuated when task self-efficacy is high, but attenuated when self-efficacy is low. We also show that the previous effects are partially mediated by shame. By identifying shame as the mediating process in these interactions, we provide initial insights for managers to reduce negative outcomes following DIY failures. Reducing shame, priming a growth mindset, or reducing task-related efficacy should thus represent viable strategies for firms to elicit more positive outcomes following consumer failure.  

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