CONSUMER SATISFACTION, DISSATISFACTION AND COMPLAINING BEHAVIOR CONFERENCE PROCEEDINGS 2008

THE BIENNIAL MEETING

JUNE 23 – 27, 2008

LAS VEGAS, NEVADA

Stephen A. Goodwin
Conference Chair
Illinois State University

Kevin G. Celuch
Conference Co-Chair
University of Southern Indiana

Steven A. Taylor
Conference Co-Chair
Illinois State University

Hosted by the College of Business, Department of Marketing at the University of Nevada, Las Vegas

Conference Coordinator
Gillian S. Naylor, UNLV

Sponsored by the College of Business, Department of Marketing at Illinois State University

Papers included in these Proceedings were subjected to double-blind, peer reviews. The order of the papers is identical to the order displayed in the Program Summary which appears on the next page.

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Program Summary

Consumer Satisfaction, Dissatisfaction and Complaining Behavior Conference

June 23 – 27, 2008

Hosted by

The College of Business and Department of Marketing
The University of Nevada, Las Vegas

and

Sponsored by

The College of Business and Department of Marketing
Illinois State University

Conference Chair

Stephen Goodwin, Illinois State University

Special Thanks To

Kevin Celuch, University of Southern Indiana
H. Keith Hunt, Brigham Young University – Emeritus
Chick Kasouf, Worcester Polytechnic Institute
Richard Lapidus, UNLV
Charles McGuire, Illinois State University
Timothy Longfellow, Illinois State University
Steven Taylor, Illinois State University
The UNLV Student Chapter of the American Marketing Association

Extra Special Thank You To

Gillian Naylor, UNLV
Conference Coordinator

AGENDA

Monday, June 23, 2008

5:30 – 7:00 p.m. **Welcome Reception @ Hyatt Place Las Vegas**
Hors d' Oeuvres and Cold Beverages provided

If you are unable to join us for the reception, your information packets (the program, your name tag, the Conference Proceedings, etc.) will be available each day at the UNLV Student Recreation and Wellness Center or the UNLV Student Union where our sessions will take place.

Tuesday, June 24, 2008

6:30 – 8:00 a.m. **Breakfast** (on your own). If you are so inclined, there are breakfast options available at the UNLV Student Union or at Starbucks, the Hard Rock Café and Einstein's (**see Map**).

Transportation from the Hyatt Place Las Vegas to the UNLV Student Recreation and Wellness Center (where our paper presentations will be held today) can be provided for those preferring not to walk.

8:15 a.m. **WELCOME**

<UNLV Student Recreation and Wellness Center, Room 1020 (see Map)>

Stephen Goodwin, Conference Chair and
Editor, Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, and
Professor of Marketing, Illinois State University

8:20 a.m. **"CONSUMER COMMUNICATIONS MANAGEMENT AS A KEY RESOURCE IN THE FIRM"**

Moshe Davidow, President, Service2Profit
and Adjunct Lecturer, Technion, Israel Institute of Technology

8:55 a.m. **"UNDERSTANDING THE SERVICE-PROFIT CHAIN USING INDIVIDUAL LEVEL DATA FOR AN ONLINE RETAILER"**

Rakesh Niraj, USC-Marshall School of Business, Los Angeles
Anand Kumar Jaiswal, Indian Institute of Management Ahmedabad, India
Piyush Sinha, Indian Institute of Management Ahmedabad, India

9:30 a.m. **Break**
Water and Soda will be provided throughout the day; Coffee in the AM only.

9:40 a.m. **"AN ALTERNATIVE METHOD FOR IDENTIFYING SATISFIERS & DISSATISFIERS"**

Clement S.F. Chow, University of Macau, Macau SAR, China
Lida L. Zhang, University of Macau, Macau SAR, China

10:15 a.m. **"SATISFACTION, LOYALTY, AND REPURCHASE: A STUDY OF CUSTOMERS OF FURNITURE AND GROCERY STORES"**

Bernt K. Solvang, University of Agder, Grimstad, Norway

10:45 a.m. **Break**
Water and Soda will be provided throughout the day; Coffee in the AM only.

10:50 a.m. **"DOES WHAT I SAY CHANGE WHAT I THINK? THE EFFECTS OF WORD-OF-MOUTH ON THE SOURCE OVER TIME"**

Gillian Naylor, UNLV
John Kim, Oakland University, Michigan
Eugene Sivadas, University of Washington**,** Tacoma

11:25 a.m. **"GETTING EVEN IN THE CONSUMING CONTEXT: INTENTION AND ACTION"**

Gulfidan Baris, Anadolu University, Turkey

11:55 a.m. **Lunch Break** (lunch on your own; there are numerous options within easy walking distance [**see Map**]).

1:15 p.m. **"SERVING AND SATISFYING THE BABY BOOMER: CONSUMER GRUDGEHOLDING IN THE MATURE MARKET"**

David Aron, Dominican University
Kimberly Judson, Northern Illinois University, DeKalb
Sandra Domalgaski, Northern Illinois University, DeKalb
Timothy Aurand, Northern Illinois University, DeKalb
Geoffrey Gordon Northern Illinois University, DeKalb

1:50 p.m. **"CUSTOMER COMPLAINING: THE MODERATING ROLES OF TIE STRENGTH AND INFORMATION CONTROL"**

Adwait Khare, Quinnipiac University, Connecticut
Vikas Mittal, Rice University, Houston, Texas
John W. Huppertz, Union Graduate College, Schenectady, New York

2:25 p.m. **Break**
Water and Soda will be provided throughout the day.

2:35 p.m**.** **"LOYALTY AND NEGLECT: AN EXAMINATION OF PASSIVE CONSUMER DISSATISFACTION RESPONSES AND THEIR ANTECEDENTS"**

Tracy Panther, Oxford Brookes University, UK
David Bowen, Oxford Brookes University, UK
Jackie Clarke, Oxford Brookes University, UK
Jillian Farquhar, Oxford Brookes University, UK

3:15 p.m. ***Break for Reflection and Conversation***

Indoor and outdoor conversational seating available at site.

Transportation from the UNLV Student Recreation and Wellness Center back to the Hyatt Place Las Vegas can be provided for those preferring not to walk.

6:30 p.m. **Dinner. Meet us at the Hofbrauhaus Beer Garden and Restaurant (located next to Hyatt Place) or on your own.**

Enjoy your evening in Las Vegas!

Wednesday, June 25, 2008

6:30 – 8:00 a.m. **Breakfast** (on your own). If you are so inclined, there are breakfast options available at the UNLV Student Union or at Starbucks, the Hard Rock Café and Einstein's (**see Map**).

Transportation from the Hyatt Place Las Vegas to the UNLV Student Recreation and Wellness Center (where our paper presentations will be held today) can be provided for those preferring not to walk.

8:15 a.m. **WELCOME**

<UNLV Student Recreation and Wellness Center, Room 1020 (see Map)>

Steven Taylor, Conference Co-Chair and
Associate Editor, Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior and
Professor of Marketing, Illinois State University

8:20 a.m. **"IS NET PROMOTER THE ULTIMATE CUSTOMER METRIC? WHAT DO WE KNOW AND WHERE SHOULD WE GO?"**

Douglas B. Grisaffe, University of Texas at Arlington

9:00 a.m. **"NET PROMOTER VERSUS AN EXTERNAL QUALITY MONITORING PROGRAM"**

Debra S. Perkins, Florida Memorial University

9:35 a.m. **Break**
Water and Soda will be provided throughout the day; Coffee in the AM only.

9:40 a.m. **"PUBLIC SERVICES IN NONMETROPOLITAN ILLINOIS: RESIDENTS' PERCEPTIONS AND POLICY IMPLICATIONS"**

Adee Athiyaman, Western Illinois University, Macomb, Illinois
Frank Go, Erasmus University, Rotterdam, The Netherlands

10:15 a.m. **"THE INFLUENCE OF SATISFACTION, QUALITY, AND VALUE ON FIRM PERFORMANCE"**

Thomas L. Powers, University of Alabama at Birmingham
Dawn Bendall Valentine, Georgia Southwestern State University

10:45 a.m. **Break**
Water and Soda will be provided throughout the day; Coffee in the AM only.

10:50 a.m. **"NEGATIVE WORD OF MOUTH (NWOM) AND REDRESS STRATEGIES: AN EXPLORATORY COMPARISON OF FRENCH AND AMERICAN MANAGERS"**

Anne-Francoise Audrain-Pontevia, Rouen School of Management, France
Allan J. Kimmel, ESCP-EAP, European School of Management, Paris

11:25 a.m. **"TEACH THEM TO SMILE!"**

Janis Dietz, University of La Verne, California

11:55 a.m. **Lunch Break** (lunch on your own; there are numerous options within easy walking distance [**see Map**]).

1:15 p.m. **"HIGH SCHOOL TEACHERS' COMPLAINING BEHAVIOR TOWARD GOTHIC AND PUNK CLOTHING AND APPEARANCE"**

Marianne Bickle, University of South Carolina
Laura Papas, Colorado State University
Eulanda Sanders, Colorado State University
Dawn Mallette, Colorado State University

1:50 p.m. **"SEEKING RESPECTABILITY THROUGH WORD-OF-MOUTH: EXPERIENCES OF ADVENTURERS INTO CYBERSPACE"**

Lorraine Friend, University of Waikato, New Zealand
Carolyn Costley, University of Waikato, New Zealand
Blair Alexander, University of Waikato, New Zealand
Beth Godwin, University of Waikato, New Zealand

2:25 p.m. **Break**
Water and Soda will be provided throughout the day.

2:35 p.m. **"CONSUMER DIFFERENCES IN REACTIONS TO DOWNLOAD DELAYS AND SATISFACTION WITH WEB SITES"**

Pratibha A. Dabholkar, University of Tennessee, Knoxville
Xiaojing Sheng, University of Tennessee, Knoxville

3:15 p.m. ***Break for Reflection and Conversation***

Indoor and outdoor conversational seating available at site.

Transportation from the UNLV Student Recreation and Wellness Center back to the Hyatt Place Las Vegas can be provided for those preferring not to walk.

6:30 p.m. **Dinner. Meet us at Origin India, Las Vegas' highest rated Indian restaurant (located across Harmon from Hyatt Place, behind CVS, see Map) or on your own.**

Enjoy your evening in Las Vegas!

Thursday, June 26, 2008

6:30 – 8:00 a.m. **Breakfast** (on your own). If you are so inclined, there are breakfast options available at the UNLV Student Union or at Starbucks, the Hard Rock Café and Einstein's (**see Map**).

Transportation from the Hyatt Place Las Vegas to the UNLV Student Union (where our paper presentations will be held today and tomorrow) can be provided for those preferring not to walk.

8:15 a.m. **WELCOME**

<UNLV Student Union, Room 208-C (see Map)>

Kevin Celuch, Conference Co-Chair and
Associate Editor, Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior and Professor of Marketing, University of Southern Indiana

8:20 a.m. **"THE MODERATING EFFECT OF COPING ON STUDENT SATISFACTION WITH A SHORT STUDY ABROAD PROGRAM"**

Donna J. Hill, Bradley University
Rajesh Iyer, Bradley University

8:55 a.m. **"EVERY BRICK TELLS A STORY: STUDY ABROAD AS AN EXTRAORDINARY EXPERIENCE"**

Newell D. Wright, James Madison University
Val Larsen, James Madison University

9:30 a.m. **Break < All Breaks Today are Courtesy of Worcester Polytechnic Institute and Dr. Chickery Kasouf. Thank you, Chick! >**

Water and Soda will be provided throughout the day; Coffee in the AM only.

9:40 a.m. **"NOT ALL IMMIGRANTS "LOOK" ALIKE: A CULTURAL GLIMPSE INTO IMMIGRANT CONSUMER COMPLAINT BEHAVIOR"**

Sijun Wang, California State Polytechnic University, Pomona
Susan Peters, California State Polytechnic University, Pomona
Gary Lawson, CEO, Medical Discounts International, Inc., Walnut, CA

10:15 a.m. **"DOES THE MENTORING METAPHOR ADD VALUE BEYOND THE MARRIAGE METAPHOR IN UNDERSTANDING BUYER-SELLER RELATIONSHIPS?"**

Kevin G. Celuch, University of Southern Indiana
John H. Bantham, Illinois State University
Chickery J. Kasouf, Worcester Polytechnic University

10:45 a.m. **"ANOTHER LOOK AT POST-PURCHASE DISSONANCE: A REVIEW AND RE-CONCEPTUALIZATION"**

Dong Hwan Lee, Manhattan College

11:20 a.m. **"SELLING WELLNESS: ESTABLISHING AND MAINTAINING AUTHENTICITY FOR "NO-RESULTS" HEALTHCARE PRODUCTS"**

Jacqueline A. Williams, William Patterson College, New Jersey
Helen H. Anderson, Marketing Consultant, Tucson, AZ

11:55 a.m. **Lunch Break** (lunch on your own; there are numerous options within easy walking distance, including the Student Union at UNLV [**see Map**]).

SPECIAL SESSION DEVOTED TO DOCTORAL STUDENTS

1:15 p.m. - 4:00 p.m. **"THE ROLE OF CONSUMER PARTICIPATION IN USING ONLINE RECOMMENDATION AGENTS: SATISFACTION, TRUST, AND PURCHASE INTENTIONS"**

Jing Sheng, University of Tennessee, Knoxville
Pratibha A. Dabholkar, University of Tennessee, Knoxville

"WHY DO COMPLAINANTS EXPRESS THEIR DISSATISFACTION ONLINE? DETERMINANTS EXPLAINING THE PROPENSITY TO COMPLAIN ONLINE"

Alexandra Daniela Zaugg, University of Bern, Switzerland

"STUDENT SATISFACTION AND EMPOWERMENT THROUGH COMPLAINING IN INSTITUTIONS OF HIGHER LEARNING"

Farbod Karimi, University of San Francisco

"GETTING GOOD COMPLAINING WITHOUT BAD COMPLAINING"

Gavin Fox, Florida State University
(and beginning in August: Valdosta State University, Georgia)

"WHAT MAKES YOU SATISFIED: THE BRAND, STORE, OR EMPLOYEE?"

Yi-Mu Chen, National Chengchi University, Taiwan
Richard Widdows, Purdue University
Lien-Ti Bei, National Chengchi University, Taiwan

4:15 p.m. ***Break for Reflection and Conversation***

Indoor and outdoor conversational seating available at site.

6:30 p.m. **Dinner (on your own). Several restaurant and entertainment suggestions will be provided for you to consider.**

Transportation from the UNLV Student Union back to the Hyatt Place Las Vegas can be provided for those preferring not to walk.

Enjoy your evening in Las Vegas!

Friday, June 27, 2008

7:00 – 8:00 a.m. **Breakfast** (on your own). If you are so inclined, there are breakfast options available at the UNLV Student Union or at Starbucks, the Hard Rock Café and Einstein's (**see Map**).

Transportation from the Hyatt Place Las Vegas to the UNLV Student Union (where our paper presentations will be held this morning) can be provided for those preferring not to walk.

8:15 a.m. **WELCOME**

<UNLV, Student Union, Room 208-C>

Stephen Goodwin, Conference Chair and Editor, Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, and Professor of Marketing, Illinois State University

8:20 a.m. **"EXCHANGE PARTNER KNOWLEDGE AND CONSUMER GRUDGEHOLDING"**

Joseph M. Goodman, James Madison University
Val Larsen, James Madison University
Newell D. Wright, James Madison University

8:55 a.m. **"CONSUMER SATISFACTION WITH HMO/PPO: AN ANALYSIS USING THE DISCONFIRMATION OF EXPECTATIONS MODEL"**

Foo Nin Ho, San Francisco State University
Samira Yasmeen Ahmed, University of California, San Francisco
Seonsu Lee, Wonkwang University, Korea

9:30 a.m. **Break**
Water, Pop and Coffee will be provided throughout the morning.

9:40 a.m. **"WHY DON'T PATIENTS COMPLAIN?"**

Meng-Ling Wu, Dayeh University, Taiwan
Yi-Mu Chen, National Chengchi University, Taiwan

10:15 a.m. **"DENTAL PATIENT'S LOYALTY AND SATISFACTION"**

Paolo Mariani, Milano Bicocca University, Italy
Emma Zavarrone, Milano Bicocca University, Italy

11:00 a.m. **"CUSTOMERS' INTERACTION SATISFACTION IN A PSEUDO-RELATIONSHIP CONTEXT"**

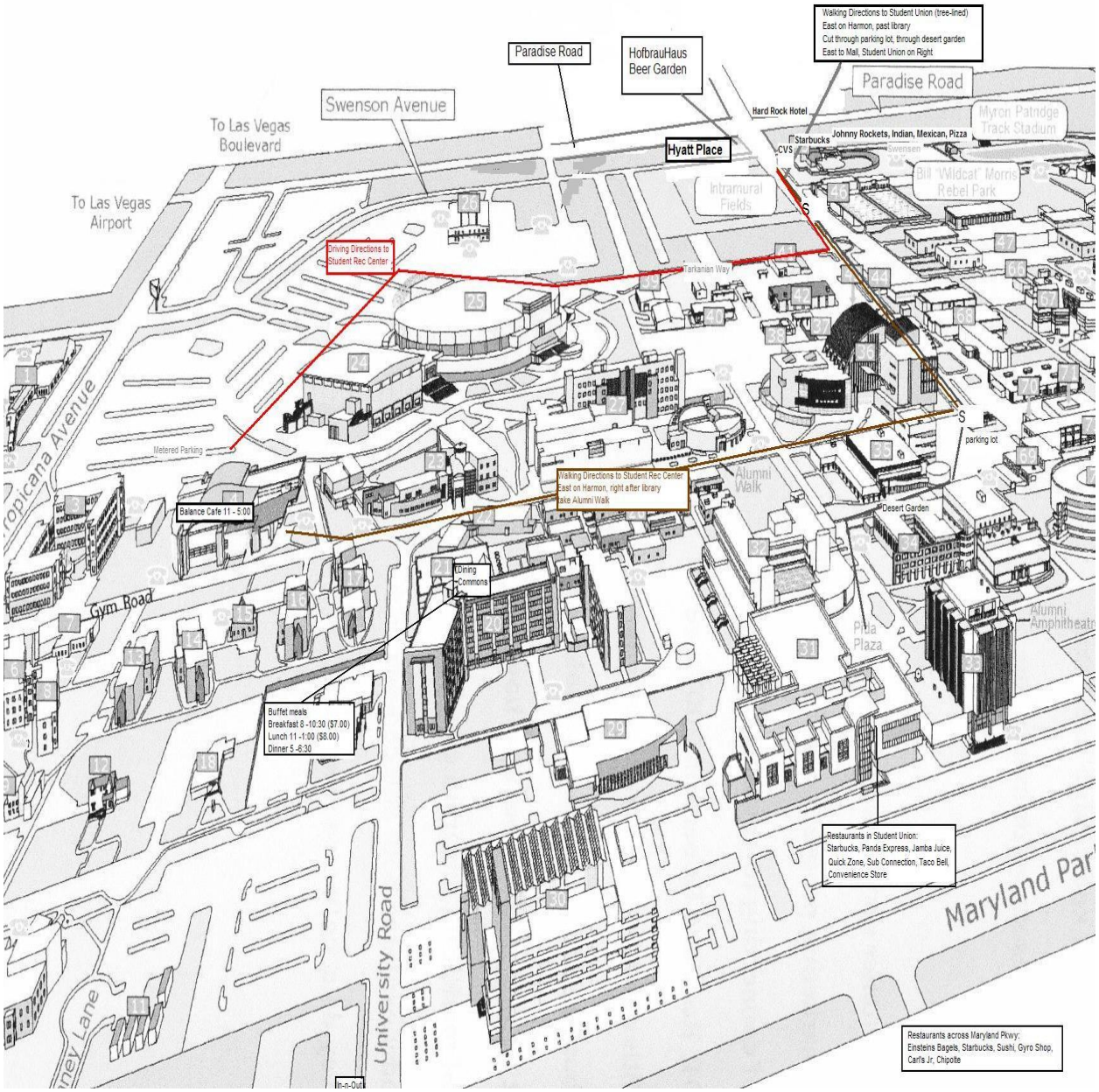
Richa Agrawal, MICA, Shela, Ahmedabad, India
Sonjaya S. Gaur, Auckland University of Technology, New Zealand

11:35 a.m. ***Break for Reflection and Conversation***

Indoor and outdoor conversational seating available at site.

Noon **End of Conference**

Next CS/D&CB Conference: June 2010.
Dates and Place TBA


Walking Directions to Student Union (tree-lined)
East on Harmon, past library
Cut through parking lot, through desert garden
East to Mall, Student Union on Right
Paradise Road
HofbrauHaus
Beer Garden
Paradise Road
Swenson Avenue
To Las Vegas
Boulevard
Hard Rock Hotel
Starbucks
CVS
Johnny Rockets, Indian, Mexican, Pizza
Myron Patridge
Track Stadium
Hyatt Place
Intramural
Fields
Bill "Wildcat" Morris
Rebel Park
To Las Vegas
Airport
Driving Directions to
Student Rec Center
Tarkanian Way
Tropicana Avenue
Metered Parking
parking lot
Walking Directions to Student Rec Center
East on Harmon, right after library
take Alumni Walk
Alumni
Walk
Balance Cafe 11 - 5:00
Desert Garden
Dining
Commons
Gym Road
Alumni
Amphitheatre
Plaza
Buffet meals
Breakfast 8 -10:30 ($7.00)
Lunch 11 -1:00 ($8.00)
Dinner 5 -6:30
Restaurants in Student Union:
Starbucks, Panda Express, Jamba Juice,
Quick Zone, Sub Connection, Taco Bell,
Convenience Store
University Road
Maryland Par
Restaurants across Maryland Pkwy:
Einsteins Bagels, Starbucks, Sushi, Gyro Shop,
Carl's Jr, Chipotle

THE MAP

CONSUMER COMMUNICATIONS MANAGEMENT

AS A KEY RESOURCE IN THE FIRM

Dr. Moshe Davidow
Service2Profit
Adjunct Lecturer, Technion, Israel Institute of Technology

ABSTRACT

This article presents the framework of a consumer communications management model, composed of eight distinct functions, which demonstrates that the data generated by it should be considered a source of a sustained competitive advantage. Consumer communications management as a strategy will allow the company to integrate the environmental threats and opportunities with the organization's strengths and weaknesses in order to maximize resources. Benefits to the organization and necessary requirements for implementation are discussed. A number of hypotheses for future direction and research are presented.

INTRODUCTION

One of management's top priorities today is looking for synergistic resources that will enable a company to achieve a sustainable competitive advantage. The latest “buzzword” today is customer centricity which was even featured in a special edition of the Journal of the Academy of Marketing Science in 2000. While customer centricity may be the “newest” fad, causing managers to forget that we have heard it all before (Shah et al. 2006), as far back as Adam Smith, who in 1776 stated that the only purpose of an organization is to serve its members. So, while managers run around seeking the "Ultimate Marketing Tool" on the outside, the object of their search may be inside the firm in the guise of consumer communications management.

This article will describe consumer communications management, what it is, how it operates, its potential to give the company a sustainable competitive advantage, and how it integrates into the existing literature on structures and processes that impact business strategy implementation.

Consumer communications management is the collective term used to denote all those activities which a company does reactively and proactively to leverage consumer communications into customer satisfaction. Consumer communications can best be described as all consumer related communications between the consumer and the company, including complaints, requests, and questions. Consumer communications management operates on two different levels: 1) to handle

current communications reactively to ensure customer satisfaction, 2) to proactively eliminate possible sources of dissatisfaction, to increase future customer satisfaction. Consumer communications management subsumes complaint management, yet while the economic benefits of complaint management have been well documented (TARP 1986, Fornell and Wernerfelt 1987), those of communications management have yet to be tested.

Consumer communications management inputs information from the company's total potential customer base (market environment), noncomplainers, complainers, satisfied customers, ex-customers and non-customers (see figure 1), and outputs data to the relevant company departments. By enabling the consumer to make more realistic and informed choices, consumer communications management increases the consumer's confidence in the company, leading to higher levels of brand loyalty (TARP 1983). By analyzing the data, consumer communications management enables the company to be more responsive to its environment, capitalizing on its strengths and improving its weaknesses.

Consumer communications management is a critical resource for the firm that knows how to use it correctly. It provides the means to analyze the company's strengths and weaknesses relative to the threats and opportunities of the environment. In such a fashion, consumer communications management helps the organization focus on its goals and optimize its resources.

What is Consumer Communications Management? Consumer communications management has eight basic functions, four of which deal with the reactive level (communications handling, defections management, problem impact management, and employee education), and four of which deal with the proactive level (issue management, consumer education, consumer feedback, and consumer research).

These functions and their relationships with the various internal departments of the company are depicted in figure 1, and a brief description of each function follows.

Place figure 1 here

Communications handling deals reactively to consumer communications that reach the company (complaints, information requests, and questions). Each case entails contact between a company representative and a consumer, and the resulting "Moment of Truth" (Carlzon 1987) can leave a consumer satisfied, dissatisfied, or neutral. An attempt is made to satisfy each communicant in order to retain them as customers and prevent negative word of mouth (TARP 1986). This is the only function of the department that consumers can access. The information received by the company allows the pinpointing of problems and their correction, incorporating the feedback into the planning cycle. A list of the pressing issues that customers ask about will aid the company in issue management, new product development, and other related areas. If the inquiry

relates to policy, the company can determine the importance of the issue, allowing management to choose an appropriate course of action. If the problem is a lack of specific information, for instance, the company may consider a consumer education program. This function has been shown to be a major profit center in its own right (TARP 1986, Fornell and Wernerfelt 1987), based solely on increasing customer's repurchase intentions. Factoring in the information received and analyzed by the other functions (profit impact management, defections management, issues management), the firm gets a very clear picture of the marketplace, and what it must do to improve its performance, relative its competitors.

Defections management is the analysis of the reasons that customers have defected (Exit) from the company (or have reduced their purchases) in an attempt to pinpoint those areas of the company that need the most improvement (Reichheld and Sasser 1990), or have caused customers to change their buying habits. This function seeks out defection candidates, and contacts them to get information. It provides important information to production, operations, logistics and management, about actual or possible trouble areas. This function also pinpoints competitor's strengths and weaknesses. The customer sees everything as relative to the market, thus allowing the firm to focus on their strengths and weaknesses relative to the competition. Defection management must be able to quantify a customer's long term worth to the company.

Problem impact management is an internal function that transforms the complaint and defection information into quality control data for the purpose of determining the most cost effective way of handling a problem. The costs of complaints and problems can be easily quantified (Davidow 1993, Goodman and Malech 1985). Complaint data is aggregated and analyzed by production date, machine, product or problem type, or other variables. This information is crucial to quality control, production, logistics, operations and other departments, allowing the determination of the overall seriousness of the problem and quantification of its market implications in the form of lost sales. Management can then make a decision as to what corrective measures need to be taken. This analysis is crucial in analyzing a firm's strengths and weaknesses. By accurately pinpointing costs and benefits, the tradeoff can be correctly analyzed and the potential severity of future problems can be reduced.

Employee education is an internal function that emphasizes the ramifications of faulty workmanship on customer dissatisfaction to all the employees. Companies should create an environment in which all employees are responsible for eliminating potential problems before they reach the consumer. Employees should look on preventing problems as an opportunity to improve customer satisfaction, given that the customer is the final inspector, and the customer's assessment of the product is an important aspect of a Total Quality Management system (Adamy 1989). Quality improvement is realized through the quick discovery and quick improvement of defective products or processes enabled by consumer communications management. Insufficient job training is one of the main causes why customer expectations are not being met (Adamy 1989). This function should ideally work together with human resources and job training.

Effective consumer communications management helps the company focus on what is really important, allowing the company to maximize the use of its resources.

While these four reactive functions are important, they have major drawbacks. First, they require the customer to get involved. Second, they are targeted at dissatisfied customers, which, while important, are only a small proportion of the total overall customer base. In order to reach the rest of the total potential customer base, proactive measures are necessary. These are detailed below:

Issue management is an internal strategic function which identifies long term problems and opportunities (Goodman and Stampfl 1983), and develops strategies to defuse problems and take advantage of opportunities. This function pinpoints those crucial issues that appear to be building in strength, and that the company will have to deal with in the future. This is one of management's most important indicators of environmental change. By receiving notice of impending change, and the reasoning behind it, the company is seldom surprised, and thus better able to plan and leverage its resources to better take advantage of the inherent opportunities embodied in change. Because customer needs and expectations continually evolve over time, delivering consistently high quality products and services requires ongoing tracking and responsiveness to changing marketplace needs (Jaworski and Kohli 1993). Issues management directly relates to the changing environment, as consumer communications management focuses on satisfying the customer's needs. It is this function, working together with communications handling and defections management, which analyses the threats and opportunities of the environment and makes recommendations on the various alternatives open to the company. The ability to quantify these alternatives (together with product impact management) helps the firm formulate better business decisions and resource allocations.

Consumer education is a proactive attempt to educate the customer in the use and misuse of the product. It is the byproduct of seeing what elements are causing the customers problems, and informing them of pre-emptive solutions. It supports customer satisfaction by helping consumers form realistic expectations of the product (Goodman and Stampfl 1983). Goodman et al. (1988) have found that two thirds of all problems are at least partially caused by the customer, so that pre-emptive education is much cheaper than handling dissatisfied customers. TARP (1983) found that consumer education expanded sales, increased customer satisfaction in the company and created positive word of mouth. This function receives input from other company departments, and is instrumental in differentiating the firm's products from those of the competitors, thus creating a unique selling proposition. Programs can also be developed to reach consumers who would not ordinarily contact the company (Kolodinsky and Aleong 1990).

Consumer feedback is the company's way of showing the effect that consumer input has had on the products and procedures of the company. The function contacts consumers in order to announce new product changes (as a result of past communications), track new products, and to increase customer confidence in the company by leveraging the company's customer base. These promotions directly impact those concerns that have emerged from consumer contacts, and

would entail not only new products, but also products still in the developmental stage. This is a cost effective method of focusing consumer attention on specific product attributes that are important to them. By maintaining open lines of communication with the consumer, the firm is able to differentiate itself not only by the service it gives, but also by the myriad of new products that it develops in response to consumer's needs. Consumer promotions have been shown (TARP 1983) to expand customer loyalty and sales. The bottom line is that there are better designed products that more closely match the customer's needs. The difference between these promotions and what is commonly called promotions today is in the target market and the intent. Consumer feedback promotions are focused at a very specific market of involved customers of the firm, with the intent of showing results from consumer communications, thereby increasing customer involvement, loyalty and satisfaction to the company (defensive marketing). Regular promotions are run in an overall total market, in an attempt to win over new customers (offensive marketing). Consumer communications management must provide continuous support for the consumer if the company wants to achieve long term customer loyalty. A defensive strategy involves those activities that reduce customer exit and customer switching. Resulting costs are typically lower than for offensive strategies, which are geared to winning new customers, because more effort is necessary to create change (switching) than to maintain the status quo. This customer focus makes it more costly and difficult for a competitor to take away customers (a form of reverse switching costs).

Consumer Research tracks the satisfaction over time of past communicators (who have expressed an interest in helping the company be more responsive to consumers) to support issue and communications handling, employee training and consumer education (Goodman and Stampfl 1983), as well as pick up relevant information for new product development and product improvement. The data are not statistically representative of the entire customer population, but show possible concerns among a high involvement group. This early warning system is not intended to replace regular market research, but to pinpoint those issues that may need more detailed research.

Consumer communications management is thus a key resource that can provide all the assistance a company needs to succeed; important customer attributes, product and process improvements for higher quality and more useful products, information on competitive company's strengths and weaknesses, as well as their own, an early warning system of environmental changes and a clear barometer of customer satisfaction. It is considered a key source of marketing, sales and design data (Verity 1994), and an aid in holding down costs, developing stronger relations with customers, and generating substantial new revenues (Verity 1994).

Consumer Communications Management as a Source of Competitive Advantage

Is this resource a source of possible competitive advantage? Given that some of these functions already independently exist in organizations, what is the rationale for combining them into a single department, and why does that make consumer communications management so powerful? The answer goes far beyond standard transaction cost economics (Williamson 1979),

the functions are moved in to the consumer communications department, not just because of governance costs, but mainly because of synergy savings. Apart, these functions must be individually staffed and therefore largely non supportive, while together in one department, one person can fill multiple functions at the same time. A person trained in communications handling must have the same in depth knowledge of the company as someone in defection management or problem impact management. They share the same concerns and have the same focus. But the real synergy is in the generation and dissemination of consumer knowledge throughout the organization. Previously, each function could only look at and analyze their small slice of the pie. What are customers complaining about, how can we improve a product or a process, etc. There was no overlap or connection between the slices. Consumer communications management allows a complete look at the pie, with no overlap and no missed slices. This is the power of the resource, in its ability to show and analyze the whole picture in an organizationally unique manner (see figure 2). The department can relate the whole environment (customers, competitors and structure) to the internal resources and processes of the organization, and give a detailed analysis. This ability to funnel organizational strengths to environmental opportunities and to help protect organizational weaknesses from environmental threats makes consumer communications management a very valuable and unique resource.

Place Figure 2 Here

For a resource to be considered as a source of competitive advantage it must fulfill four criteria (Barney 1991). It must be; rare, valuable, imperfectly imitable and non substitutable. The organization must also have the structure necessary to implement this resource. Each of these criteria will be analyzed in turn in order to determine its relevance.

Is consumer communications management a valuable resource? Consumer communications management allows companies to increase their customer base in several ways; by enabling it to keep more customers (communications handling and consumer research) , by convincing new customers to buy (consumer education and consumer feedback), by eliminating problems (employee education and problem impact management), by strengthening the weak spots of the company (defections management), and by giving the company the ability to exploit opportunities (issues management). These value added activities enable the company to improve its efficiency, flexibility and effectiveness through better utilization of its information. This is critical to succeed in an intensely competitive business environment (Menon and Varadarajan 1992). Verity (1994) gives several examples of the bottom line implications of various aspects of customer communications management.

Consumer communications management allows the firm to achieve two goals that add value to the value chain: to enhance customer retention, thus adding profit (Reichheld and Sasser 1990), and to customize consumer communications to customer needs, thus reducing sales and

marketing costs. Consumer communications management is thus a major resource of a market oriented firm. Market orientation of a business was found to be an important determinant of its performance (Jaworski and Kohli 1993). Businesses having the highest degree of market orientation were found to be associated with the highest profitability (Narver and Slater 1990). Market Orientation is a strategy, while consumer communications management is the resource that enables proper implementation of that strategy.

Customer focus is the central element of a market orientation; this entails obtaining information from customers about their needs, desires, and experiences in the marketplace. Consumer communications management helps the company achieve market orientation by not only helping to focalize this information, but also by integrating it with the company's resources in order to understand the customer in the organizational context. This allows the company to respond to individual customers, rather than simply pushing the product, all the while maintaining a market perspective. Profitability is built one customer at a time. Consumer information is analyzed to determine customer preferences, how the firm's resources can be leveraged to meet them, and how these preferences may be affected by exogenous factors. This use of information has been identified as a source of a firm's market orientation and a sustainable competitive advantage (Moorman, Deshpande and Zaltman 1993, Porter and Millar 1985). Customer orientation was also found to be a key determinant of business performance (Deshpande, Farley &Webster 1993).

Is consumer communications management a rare resource? Consumer communications is a very flexible term. Few are the companies today that do not implement at least parts of it. Even fewer, if any, are the companies that implement all of it. The key advantage of communications management is not in having all of the functions, but is instead, in the implementation of the knowledge gained. Improving the utilization of market information was listed as the top priority for the 1990's by the Marketing Science institute (Menon and Varadarajan 1992). The rareness is not in having the functions or the information, but in applying that information to business objectives (Hopper 1990). Only by creatively using and leveraging the knowledge gained from consumer communications management to carefully manage the interdepartmental linkages can a firm hope to achieve a competitive advantage from this resource (Porter and Millar 1985). This resource can be considered rare in that it is underutilized in its complete form. No known empirical study has been done to date on the usage of complete consumer communications management, however, as it becomes more prevalent in the literature, such studies will become more feasible. One barrier to such studies is the paucity of firms using consumer communications management.

Is consumer communications management an imperfectly imitable resource? A resource may be imperfectly imitable for one of three reasons (Barney 1991): it is dependent on unique historical conditions, the link between the resource and the advantage is causally ambiguous, or the resource is socially complex. It may be argued that communications management is not dependent on unique historical conditions, however, due in part to the different ways the information is used in the organization, it could be considered causally ambiguous. Different firms, operating in different market environments will use the resource in different ways. It is

definitely socially complex. There are vast amounts of interactions taking place in communications management, where even one bad connection can destroy part of the effectiveness of the knowledge being transferred. Managers are likely to discount new information that is not consistent with their prior beliefs (Deshpande and Zaltman 1982). Information does not exist in a vacuum. The receiver must want to accept the information for it to be effective. There are several reasons why information may not be accepted. First, line managers are very circumspect about "foreign information" because knowledge generated elsewhere raises problematic issues such as managerial participation and control over the business activities and decisions in their department (Menon and Varadarajan 1992). Such interdepartmental conflicts can effectively eliminate horizontal communications, thus making it difficult to coordinate both people and departments to facilitate the attainment of the organization's overall goals. Second, job experience minimizes information dissemination (O'Reilly 1982), as managers feel they have all the information that they need. Most CEO's do not receive regular reports on consumer comments and concerns (AMA 1987). The implication here is that the CEO and the strategic planning team are missing out on early warning signs, thus hampering their efforts to effectively cope with a changing environment. Managers are also known to perceive information gathered to be of greater value and credibility when it is provided by their contemporaries, or members of their group (O'Reilly 1982). Information coming from outside a manager's function will thus be regarded as suspect. These factors work together to make consumer communications management a very rare resource.

Is consumer communications management a non-substitutable resource? Substitutability may take two forms, similar resources or different firm resources (Barney 1991). Consumer communications management is unique in that it is a two way communication process. Market research to discover customer's attitudes, likes and dislikes, is only a one way communication device. There is no feedback function. There is a certain synergy of use that makes this resource extremely susceptible to experience curve analysis. The more this resource is used, the more valuable it becomes, as new uses for the information are found and implemented. The more departments utilize the data, the more valuable and synergistic this data becomes. Thus, consumer communications management is also considered a non-substitutable resource.

Organizational Structure and Culture. Is the organizational structure capable of supporting consumer communications management? Menon and Varadarajan (1992) suggest that while the characteristics of knowledge are important determinants of its utilization, the characteristics of the firm are just as important, if not more important. Beyer and Trice (1982) found that knowledge utilization is either inhibited or facilitated by the characteristics of the firm. Deshpande and Zaltman (1982) found that of the many factors known to affect the use of market research information, organizational factors (centralization and formalization) and the linking role factor (interaction between researchers and managers) were the most important. Both formalization and centralization were found to be related inversely to information utilization. These points will be elaborated on in the next section. But it should already be clear that not every firm can fully utilize consumer communications management.

The desire to create superior value for customers and attain a sustainable competitive advantage drives a business to create and maintain the culture that will produce the necessary behaviors (Narver and Slater 1990) to reach that goal. Market orientation is the organizational culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers, and thus, continuous superior performance for the business. Organizational culture has previously been shown to be a possible source of sustained competitive advantage (Barney 1986). Is consumer communications management a culture in its own right, or is it just culture driven?

Deshpande and Webster (1989) differentiate between climate and culture. Climate refers to the ways organizations operationalize the themes that pervade everyday behavior (the 'what happens around here'). Culture refers to the history and norms and values that members believe underlie the climate (why do things happen the way that they do). Organizational structure and culture must be balanced and internally consistent and also must fit strategy if that strategy is to be implemented. Given this, an organization attempting to implement consumer communications management, without the appropriate structure, climate or culture, would be doomed to failure. This helps explain why few companies have succeeded in even partially implementing consumer communications management.

Consumer Communications Management and Market Orientation. Market orientation is defined (Kohli and Jaworski 1990) as the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and an organization-wide responsiveness to it. There are three basic components of market orientation. Intelligence Generation, which is the collection and assessment of both customer needs and preferences, and the forces that influence them. Intelligence Dissemination which is the process and extent of market information exchange in an organization. Responsiveness which are the actions taken as a result of the information gathered and analyzed. These components are all dealt with and enhanced by the various functions of consumer communications management. Thus:

> P1- The more a firm is market oriented, the higher the likelihood of success in implementing consumer communications management.

Not every organization has the structure or the culture to implement consumer communications management, and derive from it the maximum synergy. Customer orientation is the set of beliefs that puts the customers' interest first, while not excluding those of all other stakeholders (managers, owners and employees) in order to develop a long term profitable enterprise (Deshpande et al. 1993). This defines a distinct organizational concept, a fundamental shared set of beliefs and values that put the customer in the center of the firms thinking about strategy and operations (Deshpande and Webster 1989). This is necessary, as it is the customer's assessments that affect business performance. An effective way of maintaining the employee's customer focus is to rotate them through the consumer communications department. This job rotation will allow the manager or the employee firsthand knowledge of what drives the customer. It will also

facilitate the transfer of information between departments, as a function of the overall picture. One month a year in a consumer related function will remind employees of what is really important. While job rotation or cross job training is considered an asset on the production line, it has not been seriously considered for the consumer communications department. This in itself speaks voluminously about a company's priorities, and where they really place the consumer.

> P2- Job rotation through the consumer communications department will cause widespread information sharing, facilitating a customer focused company culture and a breakdown of barriers to communications mgmt.

Issues management and defections management directly relate to the changing environment, as consumer communications management focuses on satisfying the customer's needs, thus fulfilling the marketing concept. Customer satisfaction has a direct impact on the primary source of future revenue streams for most companies. High quality leads to high levels of customer retention which in turn are strongly related to profitability (Fornell 1992).

Market Structures and Processes and
Their Impact on Consumer Communications Management

Porter (1980) discussed three major generic business strategies as a basis for competitive advantage, focus, cost leadership and product differentiation. The impact of communications management dissolves the either/or paradigm and essentially lets the firm be a cost leader, by eliminating unnecessary features from the product, while differentiating their product as well, by focusing on what the customer wants. It also allows the firm the ability to focus on individual customers, within the market context. Information technology, such as that contained in consumer communications management, has altered the relationship between scale, automation, and flexibility (Porter and Millar 1985, Achrol 1991).

By focusing on problem impact management, issue management, and employee education, the company assures itself of constant innovation in process and quality control in an effort to manufacture their products with better quality at lower costs. Costs can be driven down not only by economies of scale, but also by innovative technology. This technology, driven by the database of customer desires on the one hand and eliminating process failures on the other hand, can optimize the company's resources and obtain differentiation and cost leadership.

Industry structure is no longer seen as being an inflexible constant. The same way information technology can influence the various forces in an industry (Porter and Millar 1985), consumer communications management can influence the relationship between a company and its environment. When integrated into the information technology that drives most modern companies, consumer communications management is enhanced exponentially.

P3- The better the integration of consumer communications management with other organizational information technology networks, the more effective it will be.

Achrol (1991) notes that today's organizations will have to adapt to the complex and dynamic task environments in order to survive. Only ambidextrous and highly flexible companies that achieve efficiency and innovation will be able to make the transition. It is specifically on these qualities that consumer communications management can get the most leverage out of its resources. By anticipating the changes in the environment, before they occur (issue management), the company is in a better position to obtain a competitive advantage, and succeed in a turbulent environment, rather than just survive.

P4- The more turbulent the environment, the more effective consumer communications management will be.

Jaworski and Kohli (1993) found that centralized organizations are negatively related with market orientation, thus inhibiting dissemination of market oriented information throughout the company. If a firm has an anti-innovation bias, knowledge is less likely to be shared (Zaltman 1986).

P5 - The more centralized the organizational structure, the less effective consumer communications management will be.

A lack of emphasis by top management towards market orientation has shown the same effect (Jaworski and Kohli 1993). This ties into corporate culture, as organizational barriers in bureaucratic companies can be expected to make it more difficult to disseminate information in that organization. Thus:

P6 - The more bureaucratic the organization, the less effective consumer communications management will be.

Consumer communications management does not fully exist today. There are companies that implement fragments of it, and companies that implement most of it. For them, the pieces are there, just waiting to be picked up. This resource has only limited value, until it is recognized and completely utilized. The full eight functions are what give this resource the ability to integrate and analyze the environment with the strengths and weaknesses of the company in order to provide input for strategic decision making. Anything less than that is just a slice of the pie, a tactical business application rather than a strategic implementation resource. The total market and environmental insight provided by consumer communications management precludes any other firm in the industry from implementing it, as it is very path specific. The more consumer communications management is used, the more valuable it becomes to the firm.

P7- The firm that implements consumer communications management first in an industry, will become the industry leader over time.

CONCLUSION

Consumer communications management has been shown to be a significant source of sustained competitive advantage. Not only does it have strong benefits on its own (communications handling) to improve profits and customer satisfaction, but it also has important side benefits as well (it's synergy with other resources of the firm, allowing it to integrate the environmental threats and opportunities with the firms strengths and weaknesses - see figure 2).

It enables companies to optimize the use of their existing resources by enabling the various departments to work within a framework of mutual assistance and benefit by encouraging the dissemination of important information throughout the company, thus creating certain resource synergies, and by keeping everyone focused on the final goal, the customer. Careful management of these interdepartmental linkages has been shown to be a powerful source of competitive advantage (Porter and Millar 1985) because of the difficulty rivals have in perceiving them (socially complex and causally ambiguous) and in resolving tradeoffs across organizational lines. A company can also create competitive advantage by optimizing or coordinating these links to the outside (Verity 1994, Porter and Millar 1985) by using consumer communications management to influence relationships with suppliers or buyers. Finally, the market and structural limitations of consumer communications management were discussed. While if it is implemented correctly, consumer communications management will lead to a competitive advantage, not every company can implement it correctly.

Some of the ideas presented in this paper seem intuitively obvious, but under the magnifying glass of reality, we find that they are not. The lack of implementation of consumer communications management is a clear indicator that what we hold to be self evident is not that evident at all. There is nothing new here, except for the idea of synergy. This article has made the case that to be effective, consumer communications management must be completely implemented, otherwise we are missing a few slices that can impact a company's overall performance. It is to be hoped that the framework presented here will spur more research into this vital area.

Future Research. A number of hypothesis dealing with the structural and market limitations of consumer communications management were established as guide stones for future research into this area of competitive advantage. Under what conditions is consumer communications management optimized? Can the concept work in organizations that do not necessarily function under the marketing orientation (a monopoly)? What market conditions influence consumer communications management? In addition, further research is also required to investigate whether consumer communications management can be considered a culture, or simply culture driven.

It is to be hoped that the potential benefits and synergies to be obtained by utilizing consumer communications management to the maximum and the various contingencies that govern its usage and limit its effectiveness will encourage more research into this area. Important first work would be to operationalize the constructs, and test the propositions. A standard measure of consumer communications management should be implemented and a scale developed to measure the likelihood of influence (or success) of consumer communications management on organizational performance.

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Figure 1: Conceptual Framework of Consumer Communications Management (CCM)

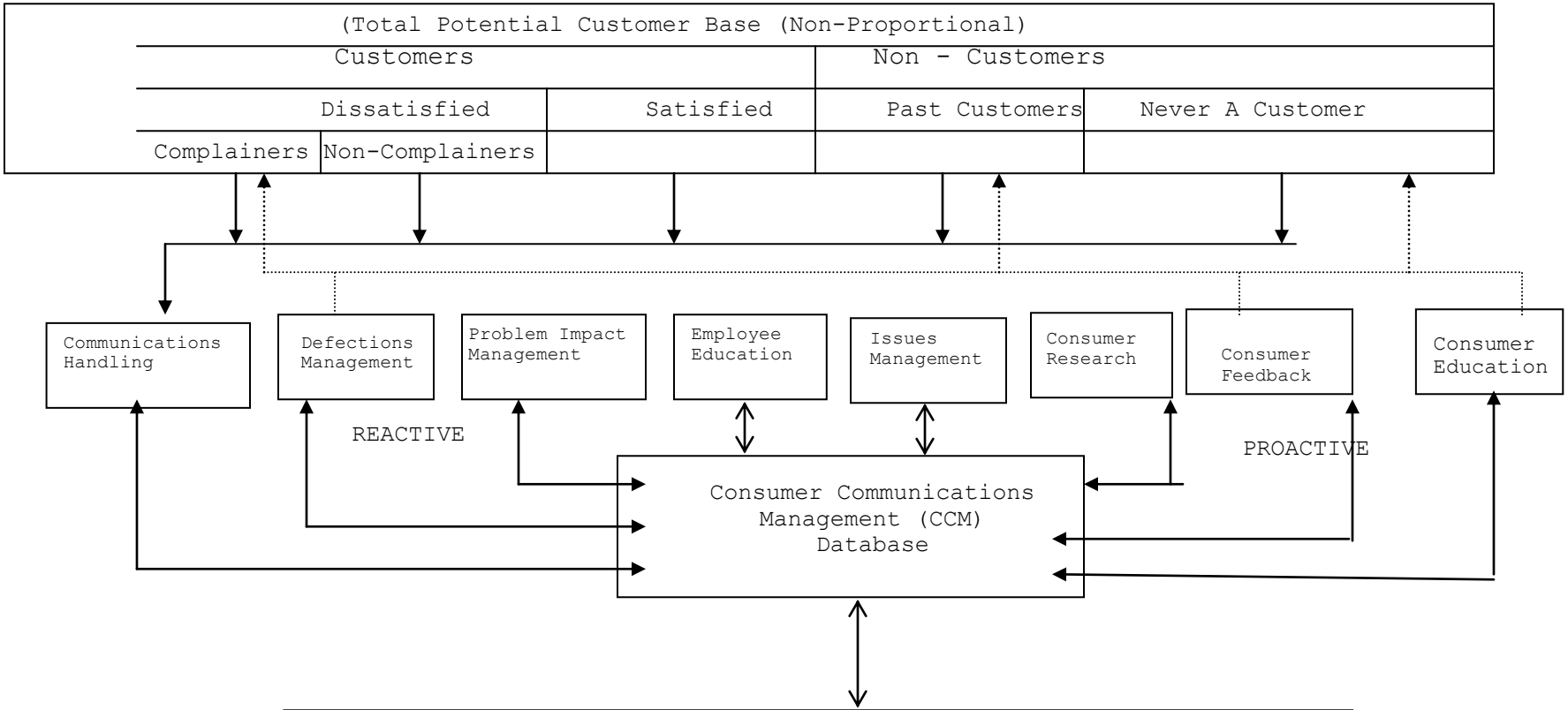
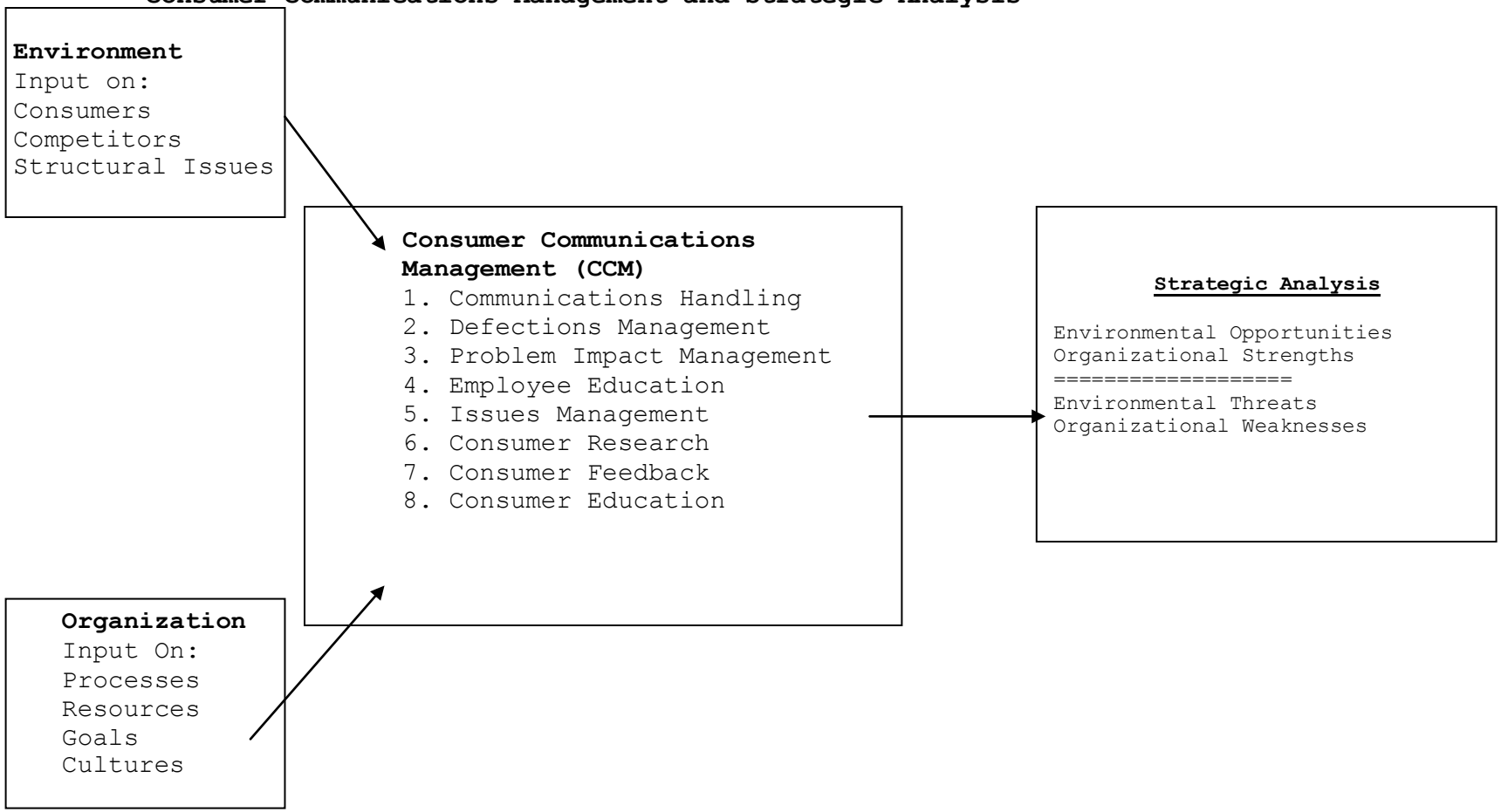


Figure 2
Consumer Communications Management and Strategic Analysis



UNDERSTANDING THE SERVICE-PROFIT CHAIN USING

INDIVIDUAL LEVEL DATA FOR AN ONLINE RETAILER

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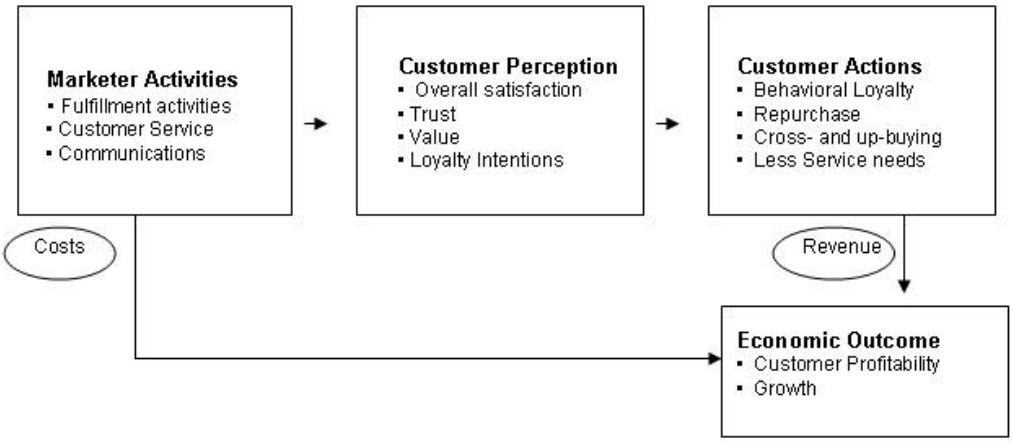
ABSTRACT

Although research conducted at firm level has established the linkage between customer satisfaction and financial performance, it is argued that this relationship consists of several intermediate links (Zeithaml, Berry, & Parasuraman, 1996). These include the link between certain antecedents of satisfaction and satisfaction, link between satisfaction and loyalty intentions and a link between intentions and loyal behavior. Prior studies have either looked at only some of these links (Kamakura, Mittal, De Rosa, & José Afonso, 2002) at individual customer level or ignored certain links and just looked at others at firm level (Buzzell & Gale, 1987). We argue that these links are better studied using individual customer-level, rather than firm-level, data and also that it is useful to look at the entire chain in an integrated manner. One reason this has not often been done is because this requires a variety of data that can be obtained only with deeper than usual commitment of a research partner company. In this research, we seek to understand the full service-profit chain by examining how internal cost, activities, marketing and operational investments affect profitability. Our aim is to use individual level data to examine all the intermediate links in service profit chain. Our broad conceptual model is given below:



We seek to investigate the impact of the set of fulfillment - service – communication activities undertaken by the marketer all the way to economic outcomes through the intermediate steps of customer perceptions and actions. In other words, the study would provide a comprehensive look at the service profit chain by focusing on individual-level links between what marketers do to

what consumers perceive, to what consumers do, and finally to how profitable they are for the marketers. It will empirically examine all the key intermediate links in service profit chain. For instance one such link will deals with the impact of marketing activities on customer perceptions. In this particular link we will examine how factors such ease of use, order fulfillment, security etc affect satisfaction, trust and value perceptions. We aim to detangle the complex relationship between the antecedent factors, satisfaction, trust and value within the overall framework of service profit chain.

We plan to test our model in relational exchange environment of online shopping. In contrast to transactional exchanges, in relational exchanges customers have had several interactions and buying experiences with firm over a period of time and they develop some kind of relationship with the firm. As our study is on assessing customer profitability impact of satisfaction and trust over a longer time frame we prefer to select relational exchanges. To ensure relational nature of exchanges, we select customers who have made a specified minimum amount of purchases and/or specified number of online store visits over the past several months prior to the data collection period. We have secured the cooperation of a large Indian E-commerce portal, Indiaplaza.in for data collection for this research. The company has allowed unprecedented access to its entire firm-level costs and activities besides detailed transaction data for selected customers for the period of 2006-2008. Most of this data has already been collected and the remaining is in process. The company also allowed us to contact a random selection of its customers for a detailed customized survey for the purpose of this research. The survey of about 500 customers has been completed in the second half of 2007. We are utilizing Activity Based Costing (ABC) methods for building the individual level customer profitability model (Niraj, Gupta and Narasimhan 2001). We propose to utilize Structural Equation Modeling (SEM) to purify the measurement model and testing of the proposed structural model. An SEM software like LISREL will be used for estimation purposes.

The model estimation has just started with confirmatory factor analysis of factors linking marketing action to satisfaction and we find that firm's efforts in the area of improving ease of use of website, order fulfillment, security, privacy and customer service potentially impact customer's satisfaction with the website. As more data is collected and processed for other parts of the service-profit chain, we will test the relative strengths of all the factors in various links. When completed, our results will provide guidance to managers in making resource allocation decisions by providing an understanding of how determinants of satisfaction drive actual loyalty which in turn drives financial performance.

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AN ALTERNATIVE METHOD FOR

IDENTIFYING SATISFIERS & DISSATISFIERS

:

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INTRODUCTION

Identifying satisfiers and dissatisfiers has long been a major research effort among scholars from various disciplines like management, marketing and engineering. It is found that critical incident technique (CIT) has been frequently used for identifying (dis)satisfiers. CIT is a versatile research method that can be nicely applied to various kinds of service research. However, when it is used for identifying (dis)satisfiers, it has some known limitations as stated by literature. This study is to suggest a companion research method, termed as "Intensity Comparison Technique", ICT, to complement the use of CIT in identifying (dis)satisfiers. Therefore, this study *per se* is a methodology study. In an empirical validation process, it is found that ICT is convenient to use and can produce results that are complementary to the results of CIT. It is expected that this study can trigger future research through which the precision of ICT can be further improved.

BACKGROUND

The concept that dissatisfaction is not the direct opposite of satisfaction is not new. It was introduced by Herzberg, Mausner and Snyderman (1959) some decades ago. In their two-factor theory, job attributes are classified as either hygiene factors which are content-related like working conditions, pay, job security, etc., or motivation factors which are context-related like achievement, the work itself, responsibility, etc. Poor performance in hygiene factors causes job dissatisfaction but good performance in them does not cause satisfaction but just no dissatisfaction; good performance in motivation factors causes job satisfaction but poor performance in them does not cause dissatisfaction but just no satisfaction. Until the seventies of last century this theory had mostly been applied to management and psychology disciplines. Swan and Combs (1976) adapted the theory to marketing when they classified the performance of clothing product attributes into instrumental performance and expressive performance, which were counterparts of Herzberg's hygiene factor and motivation factor respectively. The next cornerstone study was done by Cadotte and Turgeon (1988) where consumer complaints and compliments were used to analyze satisfiers and dissatisfiers – the terms firstly appeared in major marketing literature equivalent to motivation factors and hygiene factors. Bitner, Boom and Tetreault (1990) examined service attributes according to the frequency of favorable and unfavorable incidents attached to them. Then Johnston (1995) conducted a study to identify (dis)satisfiers in banking services. Academics continue to identify (dis)satisfiers in the new century. For instance, Meuter, Ostrom, Roundtree and Bitner (2000) explored (dis)satisfiers in

SST (i.e. self-service technology); Yang and Fang (2004) identified (dis)satisfiers in online securities brokerage services; Sweeney and Lapp (2004) explored critical factors in website service quality perceptions and evaluated whether the factors contributed to either high or low (or both) quality perception; and Auh (2005) classified service attributes into soft and hard attributes. Goetzinger, Park and Widdows (2006) provided results supporting that there are bivalent satisfiers, monovalent satisfiers and monovalent dissatisfiers in online business transaction.

Critical incident technique, CIT, developed by Flanagan (1954), had been used by Herzberg *et al*. (1959) for his pioneering two-factor theory. Since then it has been the very frequently used method for identifying (dis)satisfiers for academics in management and marketing as well as practitioners in commercial sectors. However, when CIT is used for identifying (dis)satisfiers, it has some limitations. This study introduces a new method which may serve as a companion method to complement the use of CIT in identifying (dis)satisfiers. The concept of this new method is very simple. It measures the intensity of customer satisfaction when a product attribute takes a positive valence (e.g., willing to solve customer problem) and the intensity of customer dissatisfaction when the same attribute takes a negative valence (e.g., unwilling to solve customer problem). Then it compares the two measurements of intensity and conclude whether an attribute is a satisfier (satisfaction intensity > dissatisfaction intensity), dissatisfier (satisfaction intensity < dissatisfaction intensity), or hybrid (satisfaction intensity = dissatisfaction intensity). As the main concept of the method is a comparison of intensity, thus, the method is termed as "Intensity Comparison Technique", ICT.

How does CIT work in identifying (dis)satisfiers?

The core concept of using CIT, critical incident technique, to identify satisfiers and dissatisfiers is straightforward. The key question Herzberg *et al*. (1959, appendix I) asked the respondents was "Think of a time when you felt exceptionally good or exceptionally bad about your job, either your present job or other job you have had". For such a question, the answers became "incidents" of satisfying or dissatisfying occasions in ones' job. Then the incidents were grouped into different job factors. In each job factor, satisfying and dissatisfying incidents were tallied. If a factor was related to more satisfying incidents than dissatisfying incidents, the factor was a motivation factor; and if it was related to more dissatisfying incidents than satisfying incidents, it was a hygiene factor. Adapting this concept to consumer context, Swan and Comb (1976, p.28) asked the respondents to "Think about a specific item of clothing that has been especially satisfactory and an item that has been especially dissatisfactory" and Bitner *et al*. (1990, p.74) asked the respondents to "Think of a time when, as a customer, you had a particularly satisfying (dissatisfying) interaction with an employee of an airline, hotel, or restaurant". Both studies analyzed the data in the same way as Herzberg's study. Therefore, CIT can be used for identifying (dis)satisfiers among job factors, product attributes, or service attributes. CIT compares the number of occurrence of satisfying incidents with dissatisfying incidents of a particular product attribute while ICT (explained later) compares the intensities of satisfaction and dissatisfaction a particular product attribute gives to consumers.

Some limitations of CIT in identifying satisfiers and dissatisfiers

Advantages and disadvantages of using CIT in general application has been discussed in literature in details (e.g., Gremler 2004; Bitner, *et al*. 1990; Johnston 1995; etc.). Here we only concentrate on its limitations in identifying (dis)satisfiers. They are summarized as below:

1. *Accuracy of data collection:* Respondents are asked to recall something that may have happened long before, and that their perceptions may have been modified or reinterpreted because of some later events (Johnston, 1995).
2. *Subjectivity of data analysis:* The data collected has to be content analyzed, which has been questioned for its reliability and validity since there will be ambiguity of word meanings, category labels, and the coding rules in the analysis process (Weber, 1985). Maddox (1981, p.102) also expressed similar concern that the interpretation process is highly subjective.
3. *Possibility of flawed conclusion in data analysis:* Matzler and Sauerwein (2002) challenged that when a customer mentions negative incidents related to a particular attribute, it is unclear if it is because he/she does not remember positive incidents related to the same attribute (because positive incident in this attribute is perceived as normal and not critical – in this case the attribute will be accurately regarded as dissatisfier) or if it is because positive incidents related to this attribute have never occurred (in this case there is no conclusion but the attribute will still be wrongly regarded as a dissatisfier); and vice versa if the customer mentions positive incidents.
4. *Poor statistical validity:* To determine whether an attribute is a satisfier or dissatisfier by using CIT, one has to compare the occurrence of positive incidents with the occurrence of negative incidents, so there is a problem in setting the cutting point – i.e., How many more satisfying (dissatisfying) incidents than dissatisfying (satisfying) incidents an attribute should relate to before we can say an attribute is a satisfier (dissatisfier)? This implies that when an attribute is classified as a satisfier or dissatisfier, the risk level of type one error in probability term is not known. Therefore, the conclusion that an attribute is satisfier or dissatisfier is not conclusive.

These limitations warrant a need for a new method to serve as a companion method to complement the use of CIT such that more data on whether a product attribute is satisfier or dissatisfier can be obtained.

How does ICT work in identifying (dis)satisfiers?

People tend to overlook the most obvious solution to a problem. If we need to know whether an attribute is a satisfier or dissatisfier, the most obvious and straightforward way is to ask the respondents how satisfied they will be if the attribute takes a positive valence (e.g. polite) and how dissatisfied they will be if the same attribute takes a negative valence (e.g. impolite). By so doing, the satisfaction intensity can be compared with the dissatisfaction intensity. If satisfaction intensity > dissatisfaction intensity, the attribute is a satisfiers and vice versa. If there is no significant difference between the two intensity levels, the attribute is a hybrid (i.e. both satisfier and dissatisfier, or dual-factor). That's it! The concept of ICT, intensity comparison technique, is as simple as this. So, how to operationalize the concept? We can simply ask a question in two opposite directions – one direction is to ask the respondent his/her satisfaction level when an

attribute takes the positive direction, another is to ask for the dissatisfaction level when the same attribute takes the negative direction. For instance, if we want to know whether the product attribute "engine power" in a consumer vehicle is a satisfier or a dissatisfier, we could ask a sample of respondents the following pair of questions:

How satisfied would you be if you found the engine of the car you have purchased is powerful?

Indifferent					Extremely Satisfied
0	+1	+2	+3	+4	+5

How dissatisfied would you be if you found the engine of the car you have purchased is not powerful?

Extremely Dissatisfied					Indifferent
-5	-4	-3	-2	-1	0

When we want to go into the specific details of this product attribute, further questions could be asked, such as:

> *How (dis)satisfied you would be if you found the acceleration of the car you have purchased is (not) good?*
>
> *How (dis)satisfied you would be if you found the speed of the car you have purchased is (not) good?*

The responses to the satisfaction and dissatisfaction questions are then compared by paired-sample t-test. If the difference in satisfaction and dissatisfaction is significant, we can compare the intensity and judge whether a product attribute is a satisfier or dissatisfier. If the difference is insignificant, we can say it is a hybrid.

One may argue that the responses will be biased when respondents can see the questions in pairs (positive and negative). This is a legitimate concern that has to be addressed by one of the following approaches:

Approach 1: If there are many attributes in a questionnaire, the two counterpart questions of one attribute can be put far apart from each other.

Approach 2: We can first develop two versions of questionnaires – the first version asks some questions in positive direction for some attributes and other questions in negative direction for other attributes whereas the second version asks all the counterpart questions (another side of the pairs) of the first version. Then the respondents will be asked to respond to both versions of questionnaires at different timing, with sufficient time lag, say 3 hours, or even days.

Approach 3: First, we have to develop two versions of questionnaires by the same method as that in approach 2. Second, we randomly assign the sample into two groups in order to achieve

homogeneity between groups (like what a lab experiment usually does). Finally, one group is to answer a version of the questionnaires and the other group is to answer the other version.

The first approach is the basic approach, which is the most cost-effective approach. The second and third approaches are more vigorous but one takes more time to complete, and the other requires a doubled sample size but they are still not complicated.

DEMONSTRATION OF ICT

In order to demonstrate that ICT works even under the very basic setup, we use it with a small sample of only 40 university students consisting of about two-thirds female, with mean age 20 and mean family size 4.2. This sample size is big enough for a t-test. Moreover, we used the first approach, which is the most basic one, to operate the questionnaires. This small sample was randomly selected from a larger convenience sample of 302 students who had been participating in another research with monetary remuneration. Attributes of accommodation, or living place, which had previously been explored by focus group of student participants from the same university, were used to test the method. We choose living place for testing simply because it is most familiar to the students – they all have to live somewhere. The scale we used for satisfaction intensity is from 0 to +5 where 0 was labeled as "Indifferent" and +5 as "Extremely Satisfied", and for dissatisfaction intensity from -5 to 0 where -5 was labeled as "Extremely Dissatisfied" and 0 as "Indifferent". In data analysis, we compared the satisfaction and dissatisfaction intensities by their mean absolute values through t-test. Results of the ICT are tabulated at the left side of Table 1.

Table 1 here

Validation Process

To validate the results of ICT, we replicated the same study by using CIT under the same context. In using the CIT, critical steps and procedures as suggested by Gremler (2004) were largely followed (e.g., definition of critical incident was unambiguously communicated to respondents, interviewers were trained, etc.).

The validation process was conducted after sufficient time lag (i.e. months). The same student group was phone interviewed by two research assistants. Respondents were asked about their experience with their living place(s). We adapted the question asked by Herzberg *et al.* (1959) to suit our situation, but we sought for 2 positive and 2 negative incidents from each respondent instead. With our adaptation, therefore, the question we asked was:

> *Think of 2 times in the past when you felt especially good and 2 times especially bad about your living place. It may have been in your*

current living place or any other. Can you think of such high and low points in your feelings about your living place? Please tell me about it.

Then the respondents were given sufficient time to think about the question. They can choose to answer the question in the same call or in a follow-up call. We contacted 242 students in which 169 interviews were successfully conducted. Altogether 743 incidents were collected (some respondents provided more than 2+2 incidents). The incidents were than content analyzed and classified into different attributes. In the classification process, conclusion will only be arrived at when both research assistants agreed on what attribute an incident belongs to (i.e. absolute agreement). Disagreed incidents (very few) were discarded.

Cross comparison of results

As discussed previously, one limitation of CIT is its lacking of statistical validity. It is difficult to set statistically valid cutting points to determine whether an attribute is a satisfier, dissatisfier or hybrid. For cross comparison sake, however arbitrarily, we still need to set such points. As such, the following rules are adopted:

- *Attributes with total number of incidents less than 10 are regarded as unconcluded attribute (U) due to the insufficient incidents*
- *When there are sufficient incidents, the attributes with positive incidents at least 50% more than negative incidents are regarded as satisfiers (S)*
- *When there are sufficient incidents, the attributes with negative incidents at least 50% more than positive incidents are regarded as dissatisfiers (D)*
- *When there are sufficient incidents, the attributes not fall into the above "S" and "D" categories are regarded as hybrids (H)*

Following the above rules, we classified the attributes found from CIT into satisfier, dissatisfier and hybrid. Results are shown at the right side of Table 1. If we compare it with the left side, we can see that some attributes of ICT do not have a corresponding attribute in CIT that has sufficient incidents (i.e. at least 10) for analysis, so they are only conclusive in ICT but not CIT. Six attributes (2, 5, 9, 11, 15 and 24) fall into such situation. On the contrary, two attributes (26, 27) are conclusive in CIT but have not been explored in ICT. Out of the nineteen attributes that are conclusive in both ICT and CIT, thirteen of them (4, 6, 7, 8, 10, 12, 16, 18, 19, 20, 21, 23 and 25) have the same identification as satisfier, dissatisfier or hybrid in ICT and CIT (consistent results) whereas the remaining six (1, 3, 13, 14, 17 and 22) have different identifications (discrepancies).

DISCUSSION

It is difficult to conclude the precision of ICT simply by comparing its results with the CIT results because whenever there is discrepancy, it is unclear whether the discrepancy is due to the inaccuracy of ICT or CIT. Having said that, it is worth taking a closer look at those unmatched

attributes and seeking for clues on whether ICT or CIT has to be blamed for the discrepancies. For the discrepancy in attribute 3, the CIT result is believed to be more accurate than the ICT result since the respondents in ICT might not be able to figure out how dissatisfying the situation will be when lifts do not function properly without experiencing an incident of it. A careful examination of the other 5 unmatched attributes (1, 13, 14, 17 and 22) reveals something very interesting – they are all more dissatisfying in CIT than in ICT (i.e. attribute 1: satisfier in ICT/dissatisfier in CIT, attribute 13: satisfier in ICT/dissatisfier in CIT, attribute 14: hybrid in ICT/dissatisfier in CIT, attribute 17: hybrid in ICT/dissatisfier in CIT, attribute 22: satisfier in ICT/hybrid in CIT).

For the discrepancies in these five attributes, it is considered that they are not caused by chance but the limitation of CIT that Matzler and Sauerwein (2002) suggested (see the 3rd limitation, "possible of flawed conclusion", mentioned above). That is, when a student respondent mentioned a negative incident (e.g. passing a dark street) related to a particular attribute (i.e. attribute 17: street illumination), there are two possibilities. The first possibility is that the respondent did not remember the occurred positive incidents (e.g. passing bright streets) related to the same attribute because the positive incidents are perceived by this respondent as normal and not critical and so *not remembered* (then this attribute is a truly dissatisfier to this respondent). The second possibility is that the positive incident of this attribute has seldom or never occurred to this respondent (i.e. the streets nearby are always dark) and thus he/she was not able to experience any positive incident of this attribute, even though he/she in fact perceives them critical. If many respondents are in such situation, then CIT would treat this attribute as more dissatisfying than it really is. We consider that it is the most probable cause of the discrepancies between the ICT and CIT results in attributes 1, 13, 14, 17 and 22 of our study since the respondents in our study are students from the lower income group whose living place conditions are not good. This explained most (i.e. 5 out of the 6 attributes) of the unmatched results.

Therefore we have gotten four major findings from our validation process: 1) there are attributes that are conclusive in ICT but not CIT and vice versa; 2) when both CIT and ICT are conclusive, most of the results of these two methods are consistent with each other; 3) the problem of the lacking of statistical validity in CIT is severe (e.g., we have to set cutting points arbitrarily, otherwise we cannot arrive at any conclusion); 4) the problem raised by Matzler and Sauerwein (2002) can really happen in some particular context – for instance, identifying satisfier and dissatisfier of living place when the living conditions of the respondents are generally not good, in such case more dissatisfiers than those in reality will be identified. The third and fourth points above strengthen our belief that, when it comes to identifying (dis)satisfiers, the qualitative CIT may best be complemented by a quantitative method and that the ICT may serve as a candidate for it.

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Table 1. Cross comparison of ICT and CIT results

ICT Attributes	Satis. Mean	Dissatis. Mean	*t*-value	Sig.	**ICT* Results**	CIT Comparable Attributes	No. of positive incident	No. of negative incident	**CIT* Results**	They match each other?
1. The building is new/old	3.18	1.21	6.25	0.00	**S**	Complaint/Compliment of incidents due to the building's aging problems	2	9	**D**	**No**
2. The structure of the building is safe/dangerous	3.66	4.29	2.81	0.01	**D**	The structure of the building is safe/dangerous	2	1	**U**	-
3. The lifts function properly/improperly	3.27	3.14	0.45	0.65	**H**	The lifts function properly / improperly	4	12	**D**	**No**
4. Close to/Away from shopping center	3.47	2.53	3.71	0.00	**S**	Close to/Away from shopping center	20	1	**S**	**Yes**
5. Decoration materials and furniture are hazardous/not hazardous to health	2.94	3.52	2.76	0.01	**D**	Decoration materials and furniture are hazardous/not hazardous to health	2	2	**U**	-
6. The unit is big/small	3.92	1.31	10.59	0.00	**S**	The unit is big/small	20	6	**S**	**Yes**
7. The security guard's service is good/bad	2.58	2.47	0.43	0.67	**H**	The security guard's service is good/bad	16	15	**H**	**Yes**
8. The electricity and water supply are steady/not steady	3.56	4.21	2.97	0.01	**D**	The electricity and water supply are steady/not steady	2	8	**D**	**Yes**
9. There is rumor/no rumor of ghost appearance	2.21	2.38	0.09	0.93	**H**	No such incident	0	0	**U**	-
10. The pipes of the kitchen are often/seldom clogged	3.29	4.18	3.55	0.00	**D**	Absence/Presence of water leakage problem**	3	19	**D**	**Yes**
11. Waiting time of the lifts is short/long	3.00	2.23	2.29	0.03	**S**	Waiting time of the lifts is short/long	4	4	**U**	-
12. Close to/Away from the bus stops and my university	3.22	2.46	2.96	0.01	**S**	Close to/Away from the bus stops and my university	22	9	**S**	**Yes**
13. High/Low quality of neighborhood	2.82	1.66	4.45	0.00	**S**	Complaints/Compliments to neighbors	37	64	**D**	**No**
14. Quiet/Noisy environment	3.45	3.26	0.81	0.43	**H**	Complaints/Compliments to acoustic environmental factors	31	70	**D**	**No**
15. There is no/is security measures like close-circuit TV installed in the building	2.94	1.80	3.51	0.00	**S**	There is no/is security measures like close-circuit TV installed in the building	4	1	**U**	-
16. The floor layout makes it easy/difficult to arrange the furniture	2.92	2.03	4.23	0.00	**S**	The layout and interior design is good/bad	21	7	**S**	**Yes**
17. The street outside has sufficient/insufficient lighting	2.92	3.32	1.64	0.11	**H**	The street outside has sufficient/insufficient lighting	2	9	**D**	**No**

18. The pipes of the toilet are often/seldom clogged	3.41	4.11	3.27	0.00	**D**	Absence/Presence of water leakage problem**	3	19	**D**	**Yes**
19. The direction the unit faces is good/bad	2.95	2.26	2.90	0.01	**S**	Good/bad scenery or direction faced provides good/bad scenery	23	1	**S**	**Yes**
20. Leisure facilities are available/unavailable	2.29	1.20	4.73	0.00	**S**	Leisure facilities are available/unavailable	21	1	**S**	**Yes**
21. Sufficient/insufficient sunlight goes inside the unit	3.31	2.72	2.40	0.02	**S**	Sufficient/insufficient sunlight goes inside the unit	12	2	**S**	**Yes**
22. Environmental hygiene is good/bad	3.81	3.35	2.14	0.04	**S**	Complaints/Compliments to environmental hygiene	52	71	**H**	**No**
23. Air is fresh/not fresh	3.87	3.54	1.80	0.08	**H**	Air quality is good/bad	18	17	**H**	**Yes**
24. Can/Cannot see graveyards from the window.	2.47	2.26	0.68	0.50	**H**	No such incident	0	0	**U**	-
25. Public safety is good/bad	4.16	3.73	1.99	0.55	**H**	Complaints/Compliments to public safety	17	18	**H**	**Yes**
26. (Not explored in the focus group for ICT)	-	-	-	-	-	Complaints / Compliments to the property management's allowance of pets rearing	1	9	**D**	-
27. (Not explored in the focus group for ICT)	-	-	-	-	-	Sufficient/Insufficient of ventilation of building	8	2	**S**	-

Remarks: **: S = Satisfier; D = Dissatisfier; H = Hybrid; U = Unconcluded due to insufficient (i.e. < 10) incidents.*

***: This attribute has been used twice as comparable attribute, one for attribute 10 and one for attribute 18. Other attributes explored by CIT only but with insufficient incidents are ignored and not shown.*

SATISFACTION, LOYALTY AND REPURCHASE:

A STUDY OF CUSTOMERS OF FURNITURE AND GROCERY STORES

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ABSTRACT

This paper aims to develop and test a model to explain the variation in repurchase between customers in grocery shops and furniture shops. This research is based on interview data of 400 customers in four different shops in Kristiansand, Norway. The effect of service quality on satisfaction seems to be more profound in the furniture branch than in the grocery branch. This is seen as an indicator of the importance of service in the furniture branch. Loyalty seems to be more important for repurchase in the grocery branch; this might be a result of stronger frequency and competition in the grocery branch and this is linked to the theory of cognitive dissonance. Managers in the grocery sector should focus on marketing the retail chain in order to create satisfied customers and by that ensure loyal customers and increased repurchase. The use of structural equating modelling (SEM) techniques seems to be necessary in study of related concepts such as service, satisfaction, loyalty and repurchase. The explained variance in repurchase was relatively low and opens up for other explaining factors than service, satisfaction, loyalty and exit costs.

Research questions

There have not been a lot of studies and findings in this field as related to grocery and furniture stores, and for that reason we have chosen an exploratory problem formulation:

Are there any differences in the factors influencing the size of the repurchase between grocery and furniture store customers?

METHOD

Selecting research units

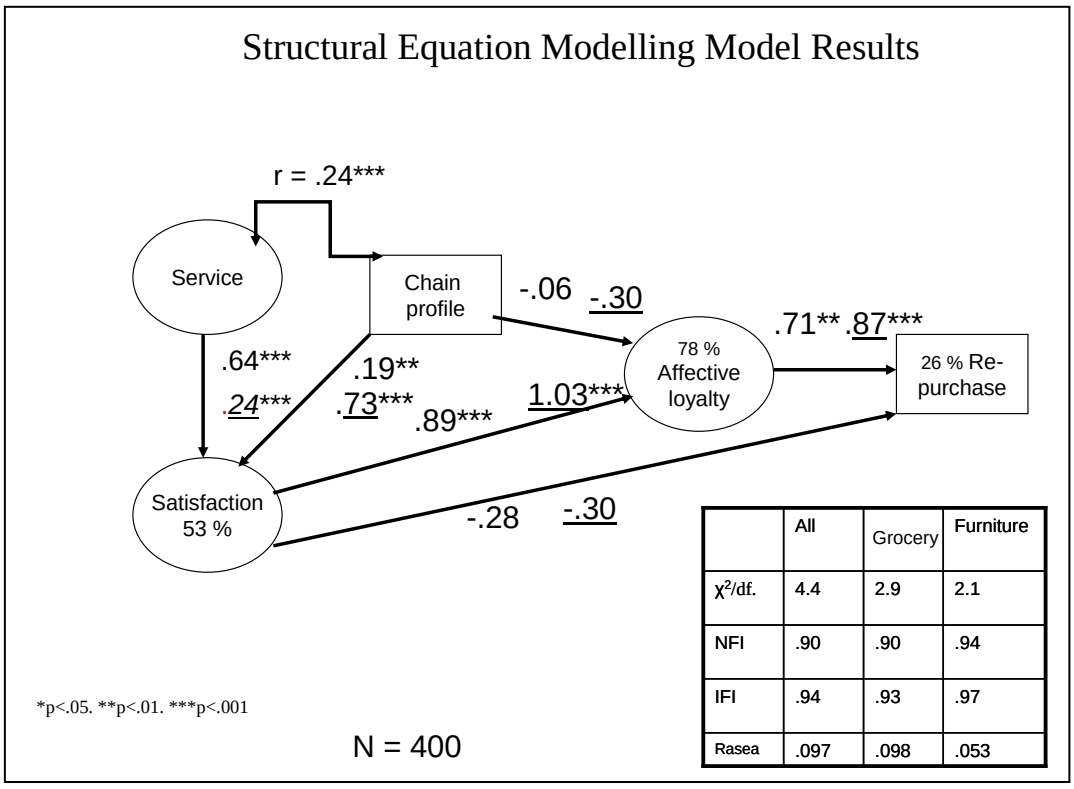
We choose a quantitative design in order to be able to answer our research questions.
The selection of respondents' base is taken from four stores in the southern part of Norway, two grocery stores and two furniture stores. From each store 100 customers were selected, a selection of 400 in total. As for the groceries the interviews were conducted outside the stores a Saturday and a Tuesday in October 1998. Thus the selection of grocery customers was based on convenience (the customers that came out of the store), and random (the time of the interview). As for the furniture stores the interviews were originally planned to take place inside the store. However, due to inadequate number of customers, a random selection of customers from the

store's customer files was used. The interviews were conducted by telephone. The Saturday customers in the files were selected into a separate group.

The four shops were different in two ways. They belonged to different business categories (grocery and furniture) and had different exposure to competition (tough and less tough). Consequently, we selected one grocery store and one furniture store in an area with tough competition, and one grocery and one furniture store in an area that was less exposed to competition. All four stores participated in a customer loyalty scheme offering the Domino customer discount card and they were all chain stores.

THE FINDINGS

Figure 1 Structural Equation Modelling Model Results, underlined figures indicate results for the grocery branch and not underlined figures indicate results from the furniture branch.



	All	Grocery	Furniture
χ^2/df.	4.4	2.9	2.1
NFI	.90	.90	.94
IFI	.94	.93	.97
Rasea	.097	.098	.053

Grocery factors underlined and furniture factors not underlined.

The fitness of the model

CMIN/df

The two branch models are better than the model with all respondents

NFI Normed fit index

A perfect model has close to 1 in value. All tree models are satisfactory on this fit index

IFI Incremental fit index.

Close to 1 is a good fit. All three models have a good fit

RASEA

How well a model fits its population? A well fit model demands a value < 0.10 with 95 % confidence. The furniture model is best; however, the other two are satisfactory. We assume in the model that the service variable may be correlated with chain profiling
(and it is r =. 24 ***).

ANALYSIS

Are there any differences in the factors influencing the repurchase between grocery and furniture store customers?

Explained variance:

Our Structural Equation Model explains 26 % of the variance in repurchases 53 % of the variance in satisfaction and 78 % of the variance in Affective loyalty. The relatively low explained variance in repurchase opens up for other explaining factors such as routinized behavior and other factors.

The effect of service quality

The effect of service quality on satisfaction appears to be much stronger in our furniture shops than in the grocery shops (.64 against. 24). The customers seem to be more dependent on service from the staff in a furniture shop than in a self served grocery shop. Since service seems to be more important in furniture shops, the association between service quality and satisfaction is stronger. Service has an indirect effect on repurchase through satisfaction and affective loyalty. In the grocery branch the indirect effect of service on repurchase is: .24 * 1.03 *.87 = .22.

A standardized regression coefficient of 1.03 seems odd, but it is feasible. This coefficient states that if variable satisfaction increases by 1 standard deviation, the affective loyalty increases by 1.03 standard deviations.

In the furniture branch the indirect effect of service on repurchase is: .64 *.89 *.71 = .40.

Service seems clearly more important for repurchase in the furniture branch than in the grocery

branch. The customers are more dependent on service in the furniture shop than in a self served grocery shop.

The effect of satisfaction

Earlier research has indicated a strong relation between customer satisfaction and loyalty. Figure 1 show this strong effect in both branches. This was expected.

The indirect effect of satisfaction on repurchase through affective loyalty is in the grocery branch: 1, 03 * .87 = .9. In the furniture branch this indirect effect is: .89 *.71 = .6.
One possible explanation could be that the customers in the grocery branch have a greater freedom of choice, and this greater freedom make feelings linked to loyalty more important for repurchase than for furniture customer who do not often go to a furniture shop, and have less freedom of choice, so the loyalty is not so important for repurchase. The correlation between loyalty and repurchase is higher among the grocery customers (corr. 53 ***, N = 185) than the furniture customers (corr. 0.44***, N =174). There is also a difference in the expected direction when it comes to intentions to continue as a customer in the shop. In the grocery sample collection this probably was 0.9 and 0.8 in the furniture sample collection. However, the difference is not significant.

Moreover, we observed a direct effect of satisfaction on repurchase which is negative and not significant in both groups. The main effect of satisfaction is indirect through loyalty, but not all the satisfied customers are loyal. These satisfied, but not loyal, customers might have a less stabile shopping pattern! We classified the customers with loyalty lower than the median and with satisfaction higher than the median, and 25 % of the respondents fall into this group.

In an analysis of how this group scored on shopping frequency in a specific shop, they scored significant lower than the rest of the respondents (3.7, N = 92) against 6.4, N = 294), $p < 0.001$).

The pattern repeated itself in the repurchase score. Our focused group had a significant lower degree of repurchase (35 %, N = 87) against 47 %, N = 286), p = 0.004). The satisfied but not loyal customers seem to have a less stable shopping pattern and have refrained from letting the satisfaction be converted into a high degree of affective loyalty.

The effect of affective loyalty

The link between loyalty and repurchase is strong and has been described several times in literature. The effect is stronger in the grocery branch (.87) than the furniture branch (.71). Loyalty seems to be somewhat more important for repurchase when the shopping pattern is frequent as in the grocery shops.

The effect of chain profile

The positive effect of chain profile or the customers image of the store based on its chain connection are supposed to be positive. Figure 1 show two effects of chain profile. One indirect through satisfaction and loyalty and another indirect of chain profile through loyalty.

These effects are:

Grocery respondents:
Indirect through satisfaction and loyalty: .73 * 1.03 * .87 = .65

Furniture respondents:
Indirect through satisfaction and loyalty: .19 * .89 * .71 = .12

The other possible indirect effect through loyalty is broken since the possible effect on loyalty from chain profile is not significant.

Chain profile work has a positive effect on repurchase in both branches, but the effect is significantly stronger in the grocery branch. These findings support our interpretation of the differences between grocery shopping and furniture shopping. The shopping in the grocery sector is more regular and based on attitudes toward the shop. These attitudes are influenced by chain profile to a stronger degree than in the furniture shops. Being less dependent on human service the grocery customers more easily make attitudes on the base of external marketing effort from the retail chains. Festinger (1957) is known for his theory of cognitive dissonance, which suggests that inconsistency among beliefs or behaviours will cause an uncomfortable psychological tension, leading people to change their beliefs to fit their behaviour instead of changing one's behaviour to fit their belief. We believe this mechanism of cognitive dissonance could explain why attitudes are more important in a routinized and regular shopping pattern as we might observe in the grocery sector.

Exit costs and repurchase

We tried a model with exit cost influenced by loyalty and influencing the repurchase, but the exit costs had no significant effect on repurchase. There was a strong effect of loyalty on exit costs (the standardized β is .40 ***), but there was no significant effect of exit costs on repurchase (the standardized β is .07, p= .26). Our exit costs concept is based on subjective self reporting data. We have asked the respondents how easy it would be to change to another shop and we believe the respondents have included all factors that might influence their perceived switching costs. The exit costs were small with an average on 2.3 on a scale from 0 to 10 (N = 331). Of the costs linked to switching (procedural, financial and relational) we believe our self reported data on exit costs are close to relational costs (Burnham et al. 2003).

According to Hirschman's theory (1970), exit costs would clearly influence repurchase and others have pointed on switching costs linked to economy, emotional discomfort and social variables.

CONCLUSIONS

What were the main differences in the factors influencing repurchase in the grocery branch compared to the furniture branch?

The furniture branch is a service branch, a branch dependent on relations between the staff and the customers to a higher degree than a grocery shop. Accordingly the service quality has stronger effects on satisfaction in the furniture branch than the grocery branch. The effect of service quality on repurchase is clearly stronger in the furniture branch compared to the grocery branch.

The grocery branch is more dependent on the customers' satisfaction and loyalty. The repeatable shopping pattern in the grocery branch seems to produce attitudes linked to satisfaction and loyalty. The effects of satisfaction are stronger in the grocery branch than the furniture branch and the effects of loyalty on repurchase are also strongest in the grocery branch.

The positive effects of chain image seem to follow a similar pattern. The grocery store customers seem to build up stronger attitudes based on repeatable shopping patterns, and these attitudes are influenced by marketing work from the retail chains.

Moreover, the grocery branch is characterized by frequent, rather stable, shopping patterns, and believes and attitudes are influenced by this behaviour. This influence of the customers is making affective loyalty more important in the grocery branch than the furniture branch. Other perspectives are necessary in order to understand the variance in repurchase which only had 26 % explained variance.

MANAGERIAL IMPLICATIONS

In general, to ensure repurchase it is important to have satisfied customers. This is nothing new, but the way to get satisfied customers is different in the two businesses. In the furniture business high level of service quality is extremely important to create satisfied customers. In the grocery business service quality is important as well, but marketing the retail chain is an additional tool for creating higher repurchase.

Research implications

The use of structural equating modeling (SEM) techniques seems to be necessary in the study of related concepts such as service quality, satisfaction, loyalty and repurchase. When studying customer loyalty and repurchase we believe it is important to vary the sectors in the study. In the grocery business, with high degree of repetitive shopping, the theory of cognitive dissonance seems to be fruitful in order to understand the building of customer attitudes. Other perspectives are necessary in order to understand the variance in repurchase which only had 26 % explained variance.

GETTING EVEN IN THE CONSUMING CONTEXT: INTENTION AND ACTION

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INTRODUCTION

At the end of 2007, the topic of customer revenge appeared on Harvard Business Review as a case study thanks to the popularity of YouTube (see Ariely, 2007). For many of us, this video sharing web site became a way of our everyday life, and among many others dissatisfied customers find an opportunity to broadcast their home made videos about brands, companies, products and/or services. When broadcasting about their unhappy consuming experiences, clearly they intent to hurt the business that hurt them at first.

As Bechwati and Morrin mentioned, usually "how is a firm harmed by dissatisfied consumers?" was the focus of the researches, and the literature was more concerned with this question rather than the question of "how is a consumer harmed by feelings triggered by dissatisfaction?" (2003:441). Although, the role of emotions was acknowledged in the marketing literature, Godwin et. al. (1995) and Stewphens and Gwinner (1998) paid specific attention to the role of emotions in the complaining context. While, Godwin and others (1995) argued that the negative emotions created by a dissatisfactory service encounter exacerbate stress, and one needs to cope with this stress either by changing the environment or by regulating her emotions, Stewphens and Gwinner's works (1998) placed a specific focus on the role of emotion elicitation and emotion's impact on consumers' decisions to complain or not to complain. Emotions evoked after a dissatisfactory buying/consuming incident are based on three attributions. 1. *Situational attribution* which evokes sadness or fear and means believing that dissatisfaction cannot be helped and therefore the blame for it is situational. 2. *External attribution* which evokes anger, disgust, or contempt emotions and means that consumer attributes the responsibility for dissatisfaction to someone else, i.e. company or its employee. 3. *Internal attribution* which generates emotions of shame and guilt and it means blaming oneself for the dissatisfactory consuming incident (Stephens and Gwinner, 1998; Oliver, 1993). Clearly, when a consumer attributes the outcome of n unhappy consuming experience as situational "it was impossible to control the weather" or internal "I was not precise about what I wanted", she remains silent. As Folkes (1984) revealed, dissatisfied customers evaluate the situation based on its stability and controllability. Stability refers to the perception that similar problems occur frequently at the offending business (and will continue to occur in the future). When consumers believe that the problem could have been prevented (but was not), consumer evaluates this as controllability. Stability and controllability both indicate incompetence, ill intent of the business or a lack of concern by the business. An attribution of a controllable event to an external agent stimulates negative emotions like anger as mentioned above. Anger like feelings (rage,

hostility, annoyance, spite etc.) creates certain amount of tension. Beugre (2005), based on the work of Skarlicki and Folger (1997), argues that anger energizes individuals to engage in retaliation. Energized and tensed by anger an individual retaliates.

Background

The term retaliation was brought to the agenda of consumer satisfaction and dissatisfaction literature by Huefner and Hunt in 1994. In their work which broke a new ground in understanding consumers, they saw examples of consumers not just voicing or exiting but of deliberate, intentional efforts to get even with the seller for what went wrong. Following their work, in 1996 Nash, theoretically, claimed that customer retaliation might take the form of direct action against the service provider, such as physical assault, or against the organization in the form of criminal damage. At a lower level it may simply be giving a bad account of the organization (or individual) to others (1996:12). Following their preliminary work, Huefner and Hunt continued to research on the term retaliation and defined it as below:

> "Aggressive behavior done with the intention to get even, making it an equity issue. It is not so much a real equity, but a psychological equity: You got me. I got you back. Now we are even" (2000).

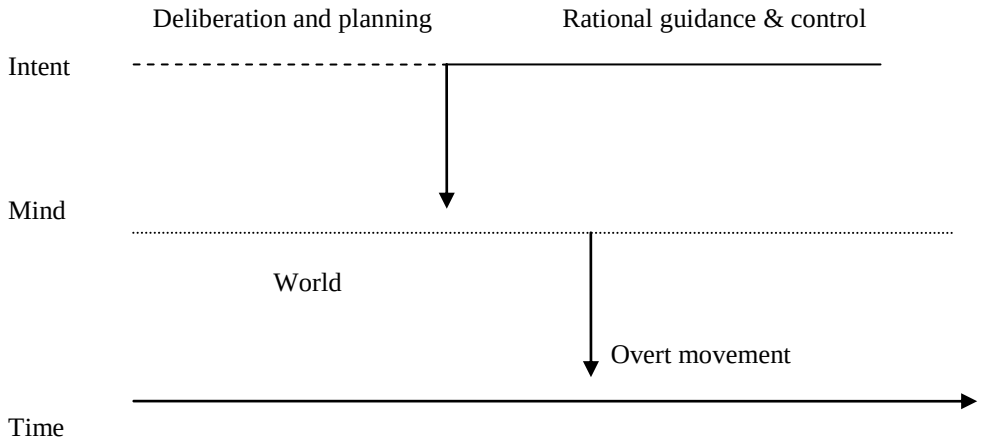
In 2004, Menon and Dube found out that in 42% of the cases, angry customers showed a variety of aggressive behaviors like glaring, yelling, using bad language, and telling salespersons that the service was bad and that they would never shop at the store again. Benchwati and Morrin (2003), Bougie and others (2003) investigated the behaviors of cheated, therefore angry, customers. In the work of Bougie et al. (2003), angry customers revealed that they wanted to get back, they thought of acting violently, and speaking nasty. This finding might bring an important question to the surface, "is it worth it?" Since retaliation cannot undo a loss after it has been done, getting even may appear irrational given the private cost of carrying out retaliation and the danger of suffering additional harm (Fon and Parisi, 2005: 45). In an experiment, social humiliation was associated with retaliatory behaviour, even at additional cost to the victim (Brown, 1968).

As Menon and Dube state research in psychology (see Tavris, 1984) has consistently shown that expressions of anger foster anger in others, thus making it one of the most contagious emotions (2004). Gabriel (1998) calls this as "insult trading" (p. 1347). Despite of the dangers, research results indicate that for consumers getting justice into hand is an alternative way of coping with their dissatisfaction (see Huefner and Hunt, 2000; 2002; Benchwati and Morrin, 2003). In the work of Benchwati and Morrin (2003), after a dissatisfactory buying experience, outraged customers acted vengefully, and were fully aware of what they were doing (2003: 450). On the other hand in another research Elster (1998) observed that revenge and anger can get to "the point of no return", a point where decision makers may act irrationally (p. 54).

Pacherie (2008) argues that actions should not be identified with mere bodily movements but with a larger chunk of the causal sequence (p. 181). She maintains that an action, in

the minimal sense, is an intentional movement, and consists of two parts: the bodily movement and the intention that causes and guides the movement. The bodily movement is the second phase of an action. Figure 1, shows that before an action, one deliberately plans it.

Figure 1: The cascade of an action



Source: Adopted from Pacheire, 2008, p. 189.

At this point, one might think that getting even is totally intentional and one plans her actions before the actual behavior, and this gives no space to being out of control. To understand a specific action (in our case getting even), an extended model of Fishbein offered by Lutz can be used (Lutz, 1977). This model is used to predict and explain a specific behavior and implies that 1.) behavioral intention is *approximately equivalent* to overt behavior, 2.) "behavior" is determined by attitudes of the person i.e. affect *for or against* performing the behavior and 3.) the assessments of the person's perceptions of how others think she should act in a given situation affect her behaviors. The model is given below.

$$Aact = \sum_{i=1}^{n} B_i a_i \qquad (1)$$

$$B \sim BI = W_1(Aact) + W_2\left(\sum_{j=1}^{m} NB_j Mc_j\right) \qquad (2)$$

where
B= a specific action or behavior
BI= the individual's intention to perform that action
Aact= the individual's attitude toward performing the behavior;
Bi= the belief (probability) that performing the behavior will lead to consequence i;
ai= the individual's evaluation of consequence i;
n= the total number of consequences salient to the individual with respect to the behavior;
NBj= the individual's perception of the expectations of referent *j* with respect to the behavior
MCj= the individual's motivation to comply with referent j's expectations;
m= the total number of salient referents; and
Wj. Wj = empirically derived weights.

Exploring the Intention and Action Phases of Getting Even

The model above indicates that intending and acting are two different variables, but intend is a good predictor of a behavior. On the other hand, the argument of Pacheire (2008) questions the absolute relationship between intent and act. Based on these arguments, one can wonder the bond between the intention phase and the action phase of retaliatory behaviors. Here we propose that the model above could be improved by swapping the intention variable as another predictor variable of the regression model. Hence, here we suggest the following propositions:

Proposition 1: Intending getting even and getting even are two different phases of retaliation.

Proposition 2: Intention of getting even is a good predictor of retaliatory behavior of customers.

Following the intention phase, the action phase comes as Figure 1 implies. One can rationalize her behaviors by considering her attitudes towards getting even. Although the literature on consumer dissatisfaction has shown great interest at attitudes toward complaining (Broadbridge and Marshall, 1995; Singh, 1990; Bearden and Oliver, 1985; Day, 1984; Jacoby and Jaccard, 1981), the attitudes of retaliatory customers were not explored. In this work, consumer's attitude toward performing retaliation is determined by the overall affect of "goodness" or "badness" of getting even and is not specific to a given episode of retaliation. In addition, the retaliation theories in psychology suggest that severe offences are associated with ratings that the offender 1) should be punished, 2) pay more reparations and 3) not be forgiven (see Zechymeister et. al, 2004:534). In fact, these items reflect the cognitive part of retaliatory actions. Considering the fact that cognition is an important component of an attitude we include their work that reflects attitudes towards getting even and propose that;

Proposition 3= The more a consumer cognitively evaluates "vengeance" positively the more tendency she will have to transfer her intention phase of getting even to the action phase, i.e. to retaliate.

The Fishbein model also includes assessments of the person's perceptions of how others think she should act in a given situation. These norms can be with respect to any person, group, or even society as a whole, depending on its salience to the individual (Lutz, 1977:198). This brings an important insight to the retaliatory behaviors of customers. Rose and Neidermeyer (1999) argue that in the absence of strong social or personal norms against reacting aggressively or in the absence of external restraints (e.g. a spouse, friend or family member), the activation of an aggression is highly possible. This brings another research question about customers who get even; "were the retaliatory consumers alone when getting even and getting the justice into their hand?" From this point, we offer our fourth proposition as below;

Proposition 4= Being alone can reduce the social pressure hence can increase the possibility of getting even.

Or alternatively, since getting justice into hand can have additional costs, i.e. suffering additional harm (Fon and Parisi, 2005; Brown, 1968), consumers might find some social support from their companion to exert revengeful acts. Hence, can being alone as a variable increase or reduce retaliatory behaviors of customers? This side of the model also reflects the planned side of getting even as an action.

Proposition 5= Retaliation is a planned action rather than being an impulse behavior.

CONCLUSION

Although the Fishbein model we use (with a small modification) to structure our propositions dates 1970s, it has a direct relevance to consumer behavior and as Pacherie (2008) says the phenomenology of action received until very recently such scant attention from action theorists and theorists of consciousness (p. 180). Consequently, by using the extended model of Fishbein we aimed to present a conceptual framework of consumer retaliation as a response to dissatisfactory buying/consuming experience. Getting even is just one of many possible responses to dissatisfaction, and it frequently occurs as Huefner and his colleagues empirically found (Huefner et al., 2002). Considering the fact that internet and other developments make getting revenge an easy option for unhappy customers, understanding, exploring customers who get even will offer beneficial insight to this dark side of consuming behavior. There are works that name consumer revenge as "consumer misbehavior" (see Fullerton and Punj, 2004), and name revengeful customers as "problem customers" (see Bitner et. al. 1994). Considering these points mentioned above, we maintain that understanding angry customers should be one of the main focuses of CCB research.

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SERVING AND SATISFYING THE BABY BOOMER:

CONSUMER GRUDGEHOLDING IN THE MATURE MARKET

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ABSTRACT

A customer who has been mistreated by a business may choose to cope by holding a grudge, a strong and lasting feeling of hostility held by a customer toward a firm, leading to an exit or voice response against the organization (Hirschman 1971; Hunt and Hunt, 1990; Aron, 2001; Aron, Judson, Aurand, and Gordon, 2006). Grudges can result from product failure, corporate level management decisions, or even a name change to a beloved company (e.g., Jones, 2006; Cornwell, 2007; Guy 2007). The hidden costs of consumer grudgeholding can lead to measurable declines in sales and market share.

Previous research on consumer grudgeholding has examined this phenomenon primarily from the perspectives of college-aged consumers and young adults, with less attention paid to customers typically labeled as "Baby Boomers," people born between 1950 and 1964. According to research conducted by the Mintel Group this group represents nearly 30% of the U.S. population with an estimated annual spending power of over $2 trillion, making it the wealthiest generation in the United States (the-infoshop.com, 2007). Furthermore, the over-forty customer base is a "demographic category that is growing older, richer, and more selective" (Franchise Times, 2002). A more inclusive approach to grudgeholding research that includes the Baby Boomer generation is imperative. The current study offers an exploration of this important consumer segment, aged 40 years and older.

The objectives of the current study are threefold. The first objective is to define grudgeholding and review earlier research on the topic. The second objective is to examine the facets of consumer grudgeholding with specific attention dedicated to the Baby Boomer generation. Finally, this study proposes recommendations and guidance to organizations on how to address consumer grudgeholding situations and offer suggestions for future research.

LITERATURE REVIEW

A grudge, according to Hunt and Hunt (1990), is an extreme exit where a consumer will end or suspend a relationship with a company for a long period of time. Grudgeholding may also be described as a strong, lasting feeling of hostility or dislike of a company that

the consumer feels has treated him or her badly (Aron et al., 2006). Consumers may use grudgeholding as a coping mechanism for a real or perceived injustice done by a company (Aron, 2001).

Consumers express their dissatisfaction in a variety of ways. Hirschman (1971) provided the framework for consumers' reactions to dissatisfaction. One response is to express that dissatisfaction through *voice*, in which the consumer may tell management, some other authority, or anyone who is willing to listen about the encountered situation. The second option is termed *exit*. In this more extreme situation, consumers end or reduce their relationship with a firm, and stop buying the organization's products unless somehow unable to withdraw (e.g., when dealing with a monopoly or existing contract).

Similar to Hirschman, Sargeant and West (2001) discuss three types of action consumers can take when they are dissatisfied with a product or service. *Vocal* is one option in which the consumers express their displeasure directly to the company. A second option labeled *private* encompasses negative word-of-mouth as well as Hirschman's (1971) exit concept. The last option is *third party* where the consumer may seek assistance from an outside entity, leading to possible legal action or complaints to the Better Business Bureau.

Consumer grudgeholding has been examined from several perspectives in past research. Variables such as the performance of the product or service in question and the firm's treatment of the customer (Hunt, Hunt, and Hunt, 1988); consumer responses such as the degree of emotional distress experienced; customer communication with the firm (Hunt et al., 1988) and with others (Aron et al., 2006); the grudge's effect on allegiance toward the offending business (Hunt and Hunt, 1990); and consumer avoidance (Huefner and Hunt, 1992) and retaliation responses (Huefner and Hunt, 1994, 2000) have been investigated.

Methodology

To achieve compatibility with earlier research, potential respondents were asked their age, whether or not they currently held a grudge according the definition provided, and whether they had ever attended college. This criterion was established because previous research on consumer grudgeholding focused on college-educated respondents, and comparability of the current sample with that of earlier studies (e.g., Aron et al., 2006) was desired. An existing survey (Aron et al., 2006) was administered to residents of suburban communities near a large city in the Midwestern United States. Respondents that claimed to hold no grudge or who did not meet demographic requirements (age and education) were asked to return their surveys to the survey administrator. Questionnaires were given to over 500 individuals, with 292 of the respondents meeting the criteria for inclusion.

All respondents received the same survey regarding their grudgeholding attitudes and behaviors, containing the definition used in earlier research:

> "[Grudgeholding is] *A strong, lasting feeling of hostility or dislike of a company or organization that you feel has treated you badly"* (Aron, Judson, Aurand, and Gordon, 2007, pg. 51).

The survey directed respondents to recall "a purchase experience involving a company or an organization against which you have held, or currently hold, a grudge," based on an experience that occurred six months ago or longer. The time-based criterion was included so that the experiences under consideration would meet the definitional standard of "a lasting feeling of hostility or dislike…" Respondents were presented with a number of quantitative and qualitative questions designed to gather information of the individual, the nature of the purchase, the response of the firm, attitudes toward the purchase and the firm, satisfaction level, and repurchase intention. Respondents were then thanked for their participation.

Summary of Findings

Findings indicate that products or services of nearly any price can be responsible for the creation of a grudge, and negative experiences with more expensive products and services appear to be more likely to create grudges among individuals 40 or older. Over 25% of the older consumers' grudges develop when items at the more expensive end of the spectrum (over $2,000) are purchased. Interestingly, the mature consumer group has a similar tendency to develop grudges over less expensive and possibly more frequently purchased items (under $50). With larger monetary purchases or more frequent transactions (not to mention longer life-spans), the respective life-time value of a mature consumer to an organization can be quite high. Older grudgeholders are particularly willing to share their concerns with employees of the firm or organization responsible for causing the grudge. Nearly all older grudge holders recount their concerns to people outside of the store, company, or organization, with nearly half of older grudgeholders telling eight or more people. On the other hand, just over a third of firms take corrective action, yet corrective action does not appear to have a positive impact upon the satisfaction level or repurchase intentions of the older grudgeholder. Once a grudge is formed, it is likely to remain with the older grudgeholder and be the topic of negative word-of-mouth conversation despite the offending firm's attempts at reparation. Firms must therefore focus their attention on the prevention of grudge forming situations in order to reduce lost sales not only with current older customers, but with the large network of acquaintances that these consumers maintain. Thus, it is in the best interest of an organization to take measures that incorporate consumer feedback and avoid consumer grudgeholding in the mature market altogether.

CONCLUSION AND MANAGERIAL IMPLICATIONS

The primary objective of this study was to examine the consumer grudgeholding phenomenon in more mature consumers, ages 40 years and up. The potential of this group to spend a large and growing amount of discretionary income, wield influence through word-of–mouth communication, and maintain numerous consumer contacts makes this segment of keen interest to marketers. According to the qualitative data

collected in this study most of the grudges develop during the customer service delivery process, and given the propensity of these customers to share negative experiences with others, every effort should be made to increase the mature consumer's level of tolerance. Customer expectations exist on two levels: a *desired* level and an *adequate* level separated by a zone of tolerance (Berry and Parasuraman, 1991). Monitoring customer expectations or assessing situations that intensify customer scrutiny can have a positive impact toward making the consumer more tolerant toward an organization. Managers are encouraged to examine marketing strategies before their implementation to discern how they might inadvertently intensify the perception of poor customer service and lead the mature consumer to be overly critical and develop grudges unnecessarily. It is also imperative that organizations provide appropriate forums for customers to register their complaints, and provide employees with opportunities to manage the customers' impressions of the firm and take corrective or at least palliative actions on behalf of the dissatisfied customers.

LIMITATIONS AND FUTURE RESEARCH

This study was conducted among more mature respondents (ages 40 years and up) and reflects their abilities to engage in larger and potentially riskier purchases and carefully consider alternative responses. An interesting future study would be to compare responses from the varied age segments that have now explicitly been the subject of grudgeholding research and integrate research findings all along the age spectrum to examine differences in behavioral intentions and attitudes toward the offending organization. In addition, neither business-to-business grudgeholding nor grudgeholding among consumer outside of the United States have been investigated at length. Given the organizational complexities currently taking place in the global environment, opportunities for potential contributions to the grudgeholding body of literature abound in future studies along these lines.

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CUSTOMER COMPLAINING:

THE MODERATING ROLES OF

TIE STRENGTH AND INFORMATION CONTROL

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ABSTRACT

We study the influence of information control and tie strength on consumers' likelihood of complaining following service failures. We report convergent results from an experiment and a survey. In the experiment, tie strength and information control were systematically varied using a restaurant scenario. In the survey, data from patients who experienced dissatisfactory service was collected. Results from both studies show that, following service failure, complaining is more likely when the tendency for information control is stronger and ties are weaker.

The strategic importance of managing customer complaint behavior was established in Fornell and Westbrook (1984) who showed that encouraging complaints today may enable a firm to reduce future complaining activity. It is, therefore, important to understand factors that can systematically affect consumer complaining.

Consumer Complaining: Hypotheses

Tie Strength

Tie strength is defined as *the potency of the bond between members of a network* (Granovetter 1973). In service contexts, it is reasonable that consumers can develop ties—of varying strengths—with service employees. For example, a patient may have a stronger tie with her regular primary care physician, than with a specialist she only has to see rarely. Likewise, a restaurant patron can have differing tie strengths with different waiters at the same restaurant.

In most situations, consumers perceive their complaint to the firm as having negative consequences for the service employee, which can also affect the relationship between the consumer and the service employee. If the strength of the tie between a consumer and service employee is weak, consumers will be less affected by any such consequences and therefore should be less hesitant to complain. In contrast, when the tie is strong, consumers fearing negative consequences for their relationship with the service employee should be less likely to complain. Additionally, strong ties should typically involve stronger and more positive priors about the service employee (Rust et al. 1999). Such

positive priors should insulate the service employee from the negative effects of a single service lapse (Anderson and Sullivan 1993) that consumers can attribute to chance. In contrast, when the tie strength is weak, the insulating buffer from such positive priors are unlikely to be present, and hence a higher likelihood to complain following a negative service encounter. Based on these arguments, we propose:

H1: *After a service failure, the likelihood to complain to the firm will be higher when the strength of tie between the consumer and service employee is weak than when it is strong.*

Information Control

We define information control as a person's tendency to manage a social exchange by exerting control over the quality and quantity of information via actions such as asking for information, seeking clarifications, and withholding information relevant to the exchange relationship. This definition acknowledges that information control is a behavior-based construct manifesting itself in behavioral patterns such as increased information elicitation via questioning and clarifications or changing the form and content of information in social contexts. This construct emerged in the medical sociology literature examining information exchange between patients and care-providers (Kettunen et al. 2000; Ong et al. 1995; Waitzkin 1985).

We argue that when a service failure occurs those having a relatively higher information control tendency will be more likely to complain. First, complaining may reduce uncertainty for high information-control customers who can use it as an opportunity to provide feedback to the firm about the service employee. Second, and simultaneously, the act of complaining may also enable high-information control customers to attenuate the perceived power imbalance between the customer and the service employee. Immediately following the service failure, the consumer may experience a sense of helplessness and the act of complaining can restore a perception of control (Hirschman 1970). Based on these arguments, we propose:

H2: *After a service failure, consumers having a higher information control tendency will be more likely to complain about the service employee to the firm than consumers having a lower information control tendency.*

Tie Strength and Information Control

We also posit that tie strength and information control will jointly influence the likelihood to complain about a service employee. Strong ties between a customer and a service employee inevitably come with strong positive priors and typically reduce uncertainty about the performance of the service employee. After a service failure, this should mitigate the customer's likelihood to complain about a service employee with whom strong ties exist. However, when consumers have a weak tie with the service employee, their motivation to complain will be more susceptible to their information control tendencies, and so higher information control tendencies will lead to relatively

higher complaint likelihood. This is likely to happen because in the case of weak ties, not only is uncertainty high (because of weaker positive priors) but also customers are motivated to reduce uncertainty by activating information control tendencies. Thus:

> H3: *For high-information control customers, the likelihood to complain about a service employee following a service failure will be higher for those with weak ties compared to those with strong ties with the service employee. However, among those with low information control complaining behavior, r will be similarly low irrespective of tie strength.*

STUDY 1

A total of 181 undergraduates at a northeastern university participated for course credit. Each student read a scenario describing a service failure (due to slow service) at a restaurant. There were two versions of the scenario, one corresponding to high (same waiter has served you for many months) and the other to low (no information about tie with waiter was provided) tie strength with the waiter. For the dependent variable, students rated their likelihood to complain about the waiter's slow service (1=very unlikely, 7=very likely). Then they filled out items for measuring information control. Lastly, students provided manipulation check (this confirmed that those in the strong tie condition felt that they had a stronger tie with the waiter than those in the weak tie condition; $p < .01$) and demographic information. Information control was measured via seven items using established scale development processes. Here we note that the items had acceptable internal consistency ($\alpha = .78$) and were therefore averaged. The items were: "In class, I always ask questions to clarify my doubts; In class, I never hesitate to ask questions to my instructors," "A person should have control on the flow of information in any conversation," "In a restaurant, I always ask the waiter a lot of questions about the menu," "Asking questions gives me a feeling of being in control," "In the past, I have often called 1-800 numbers to seek clarifications about products I have purchased," and "If I don't understand something in class, I don't feel shy asking for clarification." Please contact the authors for full details of the study.

Results

We ran a regression analysis with tie strength as a nominal factor (1=strong, 0=weak) and information control as a continuous factor. The model included the main effects of both these factors and their interaction. The dependent variable was likelihood to complain. Hypothesis 1 posits that those in the high tie-strength condition will have a lower likelihood to complain than those in the low tie-strength condition. As per H1, the coefficient for tie strength is negative and statistically significant ($\beta = -1.92$, $p < .05$). Hypothesis 2 posits that those having a higher information control tendency are more likely to complain. A marginally-significant coefficient for information control ($\beta = 0.18$, $p < .10$) is partially supportive of H2. Hypothesis 3 posits an interaction between tie strength and information control: the differential impact of tie strength is greater for those having high information control, but not for those having low information control. A statistically significant and negative coefficient for the tie strength X information control

interaction (β = -0.59, $p < .01$) supports H3. We used a mean-split on information control to create four subgroups. Among those having high information control, complaint likelihood is higher in the weak tie condition compared to the strong tie condition (3.00 vs. 2.27, $p < .05$). Among those having low information control, the mean score is identical in the strong and weak tie conditions (2.20 vs. 2.21, *n.s.*). This pattern of results supports H3.

STUDY 2

A survey was administered to graduate students enrolled in two universities in the northeast. Participants were asked to fill the survey with respect to a dissatisfactory visit to a doctor. They were asked to reflect about a visit, in the past year, to their doctor where they had been dissatisfied and answer the questions based on that particular encounter. A total of 350 participants got the survey. Our analyses are based on data from 190 students who had experienced a dissatisfactory service encounter. Likelihood to Complain ("How likely are you to complain to the medical director or practice manager about your experience with this doctor?"), the dependent variable, was measured on a 7-point scale (1=very unlikely, 7=very likely). Tie strength was measured using three 7-point items (e.g., 1=very weak, 7=very strong) ("How close do you feel to the doctor," "How strong is your tie to this doctor," and "How familiar are you with this doctor."). The items were averaged (α = .85). Information Control items, as in study 1, were averaged (α = .82). High values on this measure indicate higher information control.

Results

We ran a regression analysis with Likelihood to Complain as the dependent variable and Tie Strength, Information Control (mean-centered to allay multicollinearity concerns), and their interaction as the independent variables. As per H1, the coefficient on Tie Strength is significant and negative (β = -0.50, $p < .01$) – complaining likelihood is lower for those with higher tie strength. As per H2, the coefficient for information control is significant and positive (β = 0.50, $p < .01$) – complaining likelihood is higher for those with higher information control. As per H3, the tie strength X information control interaction is negative (β = -0.19, $p < .01$) – as Tie Strength decreases (is negative or below average) the positive effect of Information Control is enhanced.

DISCUSSION

Our results indicate that strong ties with service employees may deter consumers from complaining to their organization. Clearly, such suppression of feedback may leave retailers vulnerable to other competitors. Thus, ways of soliciting feedback without harming the customer-service employee relationship must be designed. One solution may be to design alternative voice mechanisms that are either anonymous or perceived as neutral by customers. It may also help to encourage complaining by guaranteeing that the target employee will not be punished. This article only assessed complaining behavior to the firm. Other forums for voicing dissatisfaction need to be examined as well. The

construct of information control holds promise for application in several marketing domains, especially in the information age.

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LOYALTY AND NEGLECT:

AN EXAMINATION OF PASSIVE CONSUMER

DISSATISFACTION RESPONSES AND THEIR ANTECEDENTS

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EXTENDED ABSTRACT

Passive consumer dissatisfaction responses have been much less widely researched than *active* responses such as Exit and Voice. However, research in a number of other fields, particularly investigations of dissatisfaction in romantic involvements, has revealed two distinct passive responses (Loyalty and Neglect) and provides insight into passive dissatisfaction responses *per se*. This paper presents the rationale for, methodology adopted, and findings of an investigation that aims to advance understanding of passive consumer dissatisfaction responses in the context of ongoing customer–service provider relationships.

Consumer dissatisfaction responses (CDRs) represent *"the outcomes of the consumer's decision making process as they attempt to manage their marketplace interactions"* (Strahle and Day 1985, p.59). Research over the last 30 years has identified a range of CDRs, including; Direct Complaints, Third Party Complaints, Boycotts, Switching, and Negative Word-of-Mouth (WOM). Additionally, it has been found that consumers may take no action in response to dissatisfaction, that is, respond passively, making *"no change in subsequent behaviour as a result of the unsatisfactory experience"* (Day, Grabicke, Schaetzle and Staubach 1981, p.88). Despite its prevalence, revealed early in the development of this literature (Warland, Herrmann and Willits 1975; Andreasen and Best 1977; Day, *et al.* 1981), researchers have paid little attention to this dissatisfaction response. Attention has generally been directed towards 'action' responses, particularly Complaining Behaviour. Indeed, many of the taxonomies of CDRs presented during the 1980s did not include a distinct category for the 'no action' response (for example, Richins 1987; Singh 1988). Such taxonomies have proved popular with subsequent researchers, and whilst they have enabled an increased understanding of CDRs generally, their acceptance has not advanced understanding in relation to the 'no action' response.

Within the economics literature, however, Hirschman (1970) proposed that individuals have fundamentally three options when they experience dissatisfaction with a firm; Exit, Voice or Loyalty (EVL). Exit involves ending the relationship, and switching to a new supplier if the product is still required. Voice is an attempt to remedy the situation or improve conditions by expressing dissatisfaction. Loyalty, as conceived by Hirschman, involves passively staying with the supplier in anticipation that the situation will

improve. Subsequent studies have investigated the power of a range of variables to predict and explain EVL responses in the context of services (for example, Levesque and McDougall 1996; Maute and Dube 1999). However, such studies are concerned principally with the learning generated in relation to the action responses, Exit and Voice, and provide limited additional insight into the nature of the passive response, Loyalty. Thus, whilst the influence of Hirschman's concepts offered hope that subsequent studies would increase understanding of *passive* CDRs, to date, little consideration has been given to such responses, as noted by Stephens and Gwinner (1998).

Hirschman's concepts have inspired research in other fields. In the context of romantic relationships, Rusbult, Zembrodt and Gunn (1982) developed the Exit-Voice-Loyalty-Neglect (EVLN) model, drawing upon the EVL framework and Rusbult and Zembrodt's (1983) studies. This research revealed a fourth category, Neglect. Rusbult, *et al*. (1982) postulated that these four dissatisfaction responses differ along two dimensions *activity/passivity* and *constructiveness/destructiveness* (see Appendix A). Exit and Voice are *active* responses (i.e. the individual is attempting to do something about the problem), whilst Loyalty and Neglect are *passive* responses (i.e. passive with regard to the problem at hand). Voice and Loyalty are *constructive* responses (i.e. meant to improve or at least maintain the relationship), whilst Exit and Neglect are *destructive* responses (i.e. destructive to the future of the relationship). Rusbult, *et al*. (1982) drew upon the investment model (Rusbult 1980; 1983) to predict the conditions under which the four responses would occur. Their work provides evidence for a relationship between three investment model variables (quality of alternatives to the relationship, prior satisfaction with the relationship, and investment of resources into the relationship) and dissatisfaction response.

The EVLN model has been applied, and its value demonstrated, in other contexts; employment relationships (Rusbult, Farrell, Rogers and Mainous 1988; Withey and Cooper 1989; Farrell, Rusbult, Lin and Bernthall 1990; Lee and Jablin 1992), citizens' responses to dissatisfaction with public services (Lyons and Lowery 1989), soldiers' responses to dissatisfaction with military products (Malafi 1996), and marketing channel relationships (Ping 1993). Yet, the EVLN model has received little attention from consumer dissatisfaction researchers, despite the additional insight into passive responses that it provides. Oliver (1997) emphasizes the value of research into the Loyalty response in the context of services and relationship marketing, and also comments that it is unfortunate that the Neglect response has not been researched in this context as it is potentially *"the first phase of consumer alienation"* (p.377).

However, it must be noted that empirical EVLN studies have tended to report weaker findings in relation to passive than active dissatisfaction responses (Rusbult, Johnson and Morrow 1986; Withey and Cooper 1989), leading these researchers to conclude that a fuller understanding of the Loyalty and Neglect constructs is required. The less impressive predictive and explanatory power of investment model variables with regard to passive responses suggests the influence of other antecedents to Loyalty and Neglect responses.

Research Objectives and Context

The study reported here forms part of a sustained research programme which aims to advance understanding of passive CDRs through the application of learning from studies based on Rusbult, *et al.'s* (1982) EVLN model. Specifically, it seeks to yield a description of the structure and antecedents of a passive CDR, and explain this little-understood phenomenon via the identification of patterns relating to the adoption of a passive CDR.

This research focuses on services where consumers enter into an ongoing relationship with providers and service is delivered on a continuous basis (Lovelock 1983). In the context of such services (for example, banking, telecommunications and utilities), exiting from a relationship involves the act of switching, as these services are 'must haves' in modern life. This category of services has been underrepresented in CDR studies, however, they have been an important area of focus within the service switching literature (for example, Roos 2002; Roos, Edvardsson and Gustafsson 2004; Ganesh, Arnold and Reynolds 2000; Chakravarty, Feinberg and Rhee 2004; Burnham, Frels and Mahajan 2003; Wangenheim and Bayon 2004), in recognition of the potential managerial implications of customer defections from long-standing relationships (Bolton 1998; Reichheld and Sasser 1990). Indeed, in the context of such services, continued usage ('staying') and switching may be seen as *focal* behaviours, whereas other CDRs (e.g. complaining, negative WOM) may be considered *discretionary* (Bansal, Irving and Taylor 2004). Hence, a dissatisfied consumer's decision to stay with the service provider, rather than switch, is the focus of this investigation.

Research Methodology

Positivist approaches, typically adopted in CDR studies, have detected passive responses, but have not generated sufficient understanding of their nature, nor explanation for their adoption. Passive CDRs, particularly, warrant an interpretive perspective as they include behaviours that are less visible than those comprising active CDRs. Indeed, passive CDRs may *"exist primarily inside the head of the actor"* (Drigotas, Whitney and Rusbult 1995, p.598). (See Appendix B for examples of behaviors categorized as Loyalty and Neglect). A qualitative research strategy was adopted here to enable an in-depth, holistic exploration, from the perspective of the consumer, with sufficient flexibility to allow issues important to consumers to be given full consideration (Marshall and Rossman 1999; Mason 2002).

Research population and selection of participants: The research population consists of dissatisfied consumers who are continuing to use a particular service provider (within the category of services identified earlier) despite their dissatisfaction. As is typical for qualitative inquiry (Miles and Huberman 1994), purposive sampling (Patton 1990) was employed, with maximum variation sought. A recruitment postcard was distributed, by hand, within Oxfordshire, UK. Participants were screened to provide a broad spectrum of individuals, varying in terms of; demographic characteristics (gender, age, employment

status), service where dissatisfaction experienced, length of relationship with service provider, and time since initial dissatisfaction.

Data generation methods: Initially a focus group comprising 8 individuals was conducted, the principal aim of which was to inform ensuing stages of research. This approach was beneficial for familiarization with issues (Morgan 1988) and clarification (Mason 2002) as the body of knowledge relating to passive CDRs is sparse. Furthermore, through the interaction of participants, focus groups can uncover insights that may not come through individual interviews (Flick 2002). Data generated via this initial focus group informed the development of a semi-structured interview schedule for the next stage of this research which involved 24 in-depth interviews. Individual interviews were conducted to overcome limitations relating to the potential impact of a group (Morgan 2004) and to afford a greater depth of investigation into how aspects of the relationship, experiences, beliefs and attitudes have resulted in a passive CDR, via an examination of the period from initial dissatisfaction to the moment of interview. These interviews incorporated an adaptation of Roos' (1999) Switching Path Analysis Technique (SPAT), modified to investigate the path from initial dissatisfaction to the passive response, to aid understanding of the reasons for its adoption.

Analysis: Following initial open coding of the data and the identification of broad themes within the data, interconnections and relationships between these themes were examined. This cross-sectional analysis generated a descriptive account of the nature of passive CDRs. Following this, non cross-sectional analysis was undertaken, that is, the examination of discrete cases, specifically the 'timelines' (from initial dissatisfaction to time of interview) revealed by the in-depth interviews. Analysis was undertaken using QRS NVivo software.

Findings

This research has revealed a multitude of wide-ranging reasons for staying with a service provider despite dissatisfaction. Cross-sectional analysis suggests four interrelated categories of antecedents of passive CDRs, namely factors relating to;

- **The current provider:** including the history behind and positive experiences within the relationship, beliefs relating to the organization's 'name' (reputation), and the length of the relationship, with the consumer's knowledge of and familiarity with the provider and the way in which it operates developing over time.

- **Alternative providers:** the main theme here relates to the poor quality, or attractiveness, of alternatives. Perceptions of alternative providers were either based on past experience of other providers or formed on the basis of negative WOM from other dissatisfied consumers (particularly friends, relatives, colleagues) or 'expert opinion' in the media.

- **The time and/or effort involved in switching provider:** including the time and/or effort involved in finding information about alternatives (whether this be establishing contact with potential new providers to obtain details of their offering or seeking independent advice), comparing alternative providers, completing the paperwork involved in switching, and solving problems that might occur as a result of switching.

- **Uncertainty:** whether in relation to the market more generally, personal circumstances, or the potential financial implications of switching provider.

The extensive interrelationships between these four categories revealed by analysis of the data indicate that passive CDRs are complex and multi-faceted phenomena, with both 'pull' and 'push' influences at play. Whilst factors relating to the current provider *anchor* consumers ('pull'), by providing stability and security, factors relating to alternative providers *deter* consumers from switching ('push'), through fear of or aversion to the (potential) consequences of switching. Thus, both current and alternative providers have 'magnetic' properties, attracting and repelling consumers respectively. Analysis revealed that, in combination, these factors (i.e. the *relative* attractiveness of alternative providers) are central to passive CDRs, supporting Rusbult, *et al.*'s (1982) proposition that poor quality alternatives encourage passivity.

Non cross-sectional analysis provided evidence of a constructive/destructive dimension to passive CDRs. Both Loyalty and Neglect responses to dissatisfaction with service providers were apparent, as defined in other contexts discussed earlier (see Appendix B). The Loyalty response is perhaps best summed up by the following explanation offered by an informant; *"you just end up saying let's hope and pray* [that the service improves] *and wait another month"*. Support for the company is typically expressed, as the following comment highlights; *"it's a bit like being with your wife until she's 83, you know she couldn't give a monkey's about you anymore but…, you still care about her"*. This remark, which suggests an acceptance of a one-sided relationship, and other marriage analogies used by informants, are particularly interesting as they provide support for the application of learning from the study of romantic relationships to the context of service dissatisfaction.

The Loyalty response is accompanied by a willingness to recommend the provider to others, albeit these individuals stressed that they would reply honestly if asked about the company by personal contacts and explain that the relationship is not *"a bed of roses"*. Whilst it is not suggested that these individuals have forgotten about their dissatisfying experiences, there is an apparent willingness to forgive.

Evidence of a Neglect response emerged particularly in terms of low levels of contact with the provider and a refusal to discuss problems with them; *"I avoid contact with them,…I can't actually stand being on the phone to them, because it would just frustrate me too much"*. Typically, this was accompanied by a feeling of powerlessness; *"because there's nothing I can do about it"*. Feelings toward the company ranged from ambivalence to anger. These individuals tended to stress that they would certainly not

recommend the provider, and indeed, generally engaged in negative WOM activity; *"I'd never recommend them, in fact I would tell everybody here not to use them"*.

Whilst both Loyalty and Neglect responses were underpinned by perceptions of poor quality alternatives, these data suggest that factors relating to the current provider (both in terms of the history behind and duration of the relationship) determine whether the passive CDR adopted is constructive or destructive, in line with Rusbult, *et al.'s* (1982) proposition that a higher level of prior satisfaction with the relationship and/or greater investments encourage a constructive response (i.e. Loyalty rather than Neglect).

Loyalty was typically accompanied by trust of the current provider, or at least a feeling of mutual understanding, often developed over the course of a long-standing relationship. Indeed, those adopting the Loyalty response felt that they are involved in a 'relationship' with the provider, whilst those adopting the Neglect response tended to consider that a 'relationship' had never existed between themselves and the provider; *"they only send me a statement"*, *"gas comes out of a pipe and that's it"*.

There is also evidence to suggest that dissatisfaction response is related to attribution of blame. In the case of the Loyalty response, individuals were generally prepared to accept some level of personal responsibility for their situation, for example, as a result of their own *"lack of time"* or *"poor organizational skills"*, whereas those adopting the Neglect response blamed only the provider for their dissatisfaction.

Finally, differences were found to exist in terms of reported behavioral intentions. When asked about the future, those responding with Loyalty considered themselves unlikely to switch, despite the widespread belief that the provider will continue to dissatisfy them. As one summed up; *"you have to be with one of them, and every one of them dissatisfies somebody"*. However, the Neglect response was accompanied by the view that, at some point in the future, they would probably switch provider, suggesting that the Neglect response may be a temporary state.

CONCLUSION, LIMITATIONS AND FURTHER RESEARCH

If the well documented and potentially damaging effects of consumer dissatisfaction are to be prevented, then awareness and understanding of the full range of CDRs is critical. Academic contributions are considered a particularly important source in relation to passive CDRs, complex and multi-faceted phenomena, as practitioners are rarely afforded insight into these predominantly 'hidden' dissatisfaction responses.

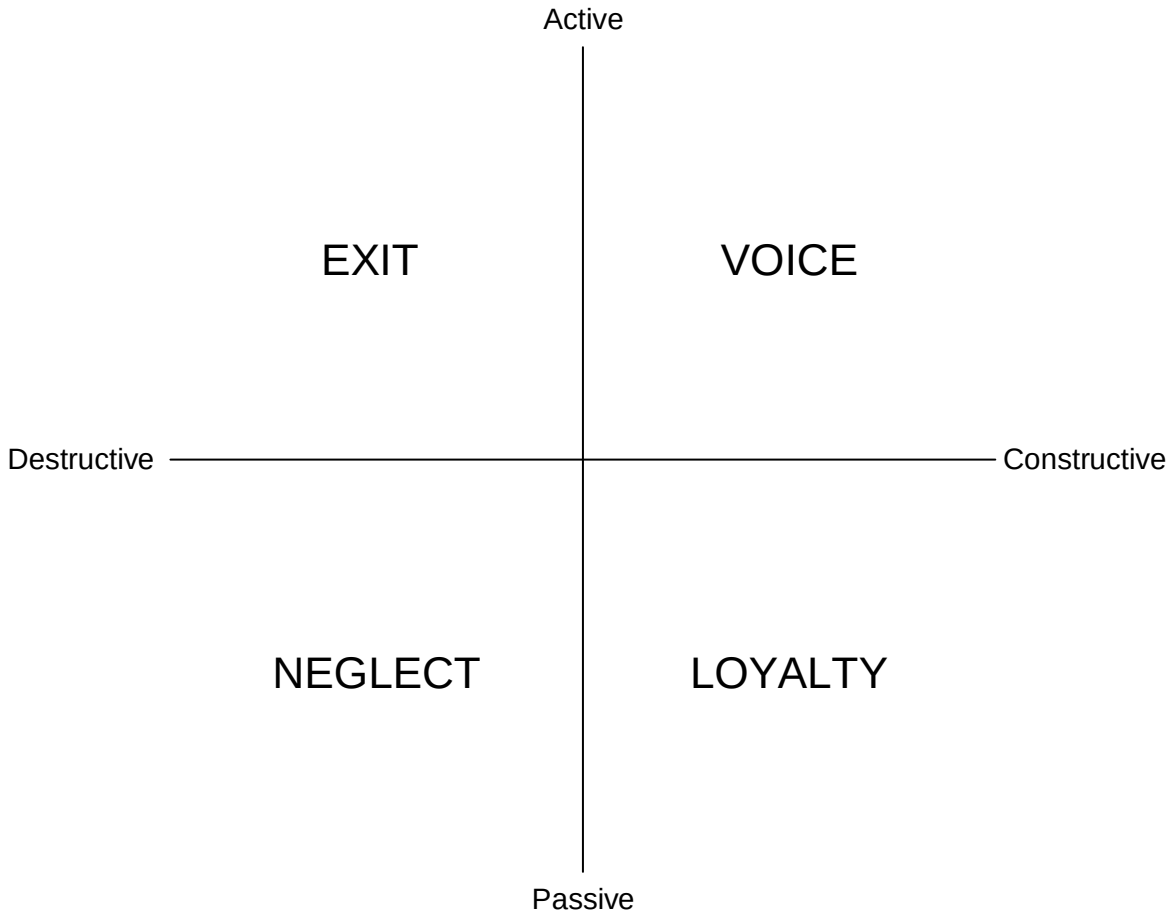
This research has advanced understanding in relation to passive CDRs via the identification of four interrelated categories of antecedents, and evidence of both Loyalty and Neglect responses to consumer dissatisfaction has emerged. Furthermore, support for Rusbult, *et al.'s* (1982) propositions, regarding the role of investment model variables in determining dissatisfaction response, is offered in the context of consumer dissatisfaction.

It must be acknowledged that the findings presented here are interim and this research program is ongoing. The end goal is an empirical model of passive CDRs in the context of ongoing consumer-service provider relationships. Ongoing analysis of the paths from initial dissatisfaction to the moment of interview involves an examination of the temporal sequence of dissatisfaction responses, to investigate whether the adoption of a passive CDR is an enduring state.

The limitations of this qualitative inquiry are recognized – here, understanding of the structure and nature of passive CDRs is sought, rather than measurement of their incidence or quantifiable insights into the predictive and explanatory value of their antecedents. Furthermore, the category of services under investigation here limits inference from these findings to services more generally.

APPENDIX A

The Constructive/Destructive and Active/Passive Dimensions of Exit, Voice, Loyalty and Neglect



Source: Rusbult (1987, p.214)

APPENDIX B

Operationalizing the labels 'Loyalty' and 'Neglect'; Examples of behaviors

Context	Loyalty response	Neglect response
Interpersonal (adult romantic) relationships	Waiting and hoping that things will improve. Giving things some time. Praying for improvement. (Rusbult, *et al.* 1982) Waiting for conditions to improve. Waiting and hoping that things will change. Defending the partner when criticized by others. (Rusbult, *et al.* 1986)	Ignoring the partner. Spending less time together. Refusing to discuss problems. Treating the partner badly emotionally or physically. Criticizing the partner for things unrelated to the real problem. (Rusbult, *et al.* 1982)
Employment relationships	Giving public and private support to the organization. Waiting and hoping for improvement. Practicing good citizenship. (Rusbult, *et al.* 1988)	Calling in sick and not dealing with the problem. Coming in late. Becoming less interested and making more errors. (Farrell 1983) Focusing attention on non-work interests, doing nothing about their work situation. (Withey and Cooper 1989) Emotionally exiting the relationship, having accepted that it is not going to improve. (Rusbult, *et al.* 1988)
Channel relationships	Not mentioning problems. Disregarding or ignoring problems. The belief that problems resolve themselves. (Ping 1993)	Impersonal, reluctant, or grudging exchanges. Letting the relationship deteriorate or die. Taking no action to improve relations. Ignoring the partner firm's attempts to resolve problems. Not caring about the partner firm. (Ping 1993)

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IS NET PROMOTER THE ULTIMATE CUSTOMER METRIC?

WHAT DO WE KNOW AND WHERE SHOULD WE GO?

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INTRODUCTION

A rich history exists in marketing and consumer research regarding a broad collection of constructs ultimately stemming from consumers' post-purchase evaluation processes. Several of these constructs have received much attention and have been widely accepted as critical foci of study based on rigorous conceptual reasoning and supporting empirical evidence. Some of the more prominent constructs are customer satisfaction (e.g., Miller 1977; Oliver 1980; Swan and Trawik 1988; Westbrook 1980), perceived service quality (e.g., Cronin and Taylor 1992; Gronroos 1984; Parasuraman, Berry, and Zeithaml 1988), customer-perceived value (e.g., Bolton and Drew 1991; Chang and Wildt 1994; Gale 1994), customer delight (e.g., Finn 2005; Kumar, Olshavsky, and King 2001; Oliver, Rust and Varki 1997), customer loyalty (e.g., Bloemer and Kasper 1995; Dick and Basu 1994; Oliver 1999), negative word of mouth (e.g., Luo 2007; Richens 1983; Wangenheim, 2005), and positive word of mouth (e.g., Anderson 1998; Brown and Reingen, 1987; Cronin, Brady, and Hult 2000). Collectively, these constructs represent a multi-faceted set of outcomes stemming from customer evaluation of the product and/or service experience.

According to the dominant perspective in customer satisfaction research and service quality research, the root of this multi-faceted collection of constructs ultimately traces back to an evaluative comparison process wherein experiences with a product or service are assessed in reference to some anchor-points or zones of expectations (Cadotte, Woodruff, and Jenkins 1987; Oliver 1988; Olshavsky and Miller 1972; Zeithaml, Berry, and Parasuraman 1993). Depending on the outcome of this comparison process, cognitive, affective, and behavioral outcomes result (Oliver 1999). Causal interrelationships exist among the set of these results (e.g., service quality contributes to perceived value and satisfaction which in turn lead to intentions to continue and recommend). A nomological network of interconnected causes and effects thus exists, respective subsets of which have been addressed by a number of researchers (e.g., Bolton and Drew 1991; Chang and Wilt 1994; Grisaffe 2000; Kumar and Grisaffe 2004; Teas and Agarwal 2000).

The practical consequence resulting from this collection of constructs is a link to business success through a variety of customer behaviors (Zeithaml, Berry, and Parasuraman 1996). For example, meeting or exceeding expectations leads to perceptions of quality and feelings of satisfaction, influencing attitudinal and behavioral loyalty, which in turn relate to things like increased shares of purchase, sustained purchase allegiance over time, and positive recommendations that facilitate new customer acquisition (Reichheld 1996). Studying the post-purchase evaluative process and the related collection of important

constructs is thus of practical significance to organizations wishing to drive sustained business success and growth. Proper specification and management of controllable product and service elements can be explicitly designed to meet or exceed customer expectations in a competitively superior way, thereby allowing companies to reap positive results in the broad set of post-purchase outcomes that help to drive business performance.

Against the backdrop of this well-studied and rich set of customer measures, a very counter-intuitive concept has been raised in recent years by noted author and speaker Frederick Reichheld - Director Emeritus and Fellow at Bain & Co. He argued that a single post-purchase evaluation metric, based on a single survey item is *the one and only* customer measure that companies really need to track and measure to manage business success (Reichheld 2003; 2006). As he states in his original article, "This number is the one number you need to grow. It's that simple and that profound" (Reichheld 2003, p. 54). Reichheld called this unitary metric the Net Promoter Score (NPS). On a 0-to-10 scale, customers answer the question: "How likely is it that you would recommend [company X] to a friend or colleague?" Anyone rating 0 to 6 is labeled a "detractor." Those rating 7 or 8 are labeled "passively satisfied." Anyone rating a 9 or 10 is labeled a "promoter." The Net Promoter Score (NPS) is simply the percent "promoters" minus the percent "detractors." According to Reichheld (2003), he empirically examined this metric and a set of other common post-purchase metrics and found the Net Promoter Score to have more relationship with company financial performance than all others he tested. His empirical findings are the basis of his "one ultimate metric" claim (Reichheld 2006).

What should the community of post-purchase evaluation researchers make of Reichheld's claims about NPS? Does the case built by Reichheld call for a complete expurgation of the multiplicity of all previous post-purchase constructs in favor of this single metric? Shall we abandon the best-practice notion of using multi-item scales to reliably measure a set of critical causally-connected constructs, now favoring this single-item approach (literally one and only one single item)? Answers to these questions should be based on rigorous conceptual and empirical considerations, both of which have continued to emerge in the few years that have passed since the introduction of NPS (e.g., Grisaffe 2004, 2007; Keinningham et al. 2007; Kirby and Samson 2008; Marsden, Samson, and Upton 2005; Reichheld 2003).

This paper adds to the discussion and debate in two ways. First, a synthesis is offered regarding what we know to-date about NPS, aiming to summarize briefly the reasoning and evidence for and against Net Promoter. Second, a line of methodological reasoning is proposed for future research in this area. Together, consideration of these two sets of issues may ultimately help researchers in the field, both applied and academic, to converge on a more defensible, well-reasoned, empirically justifiable stance on post-purchase metrics and the Net Promoter Score.

SUMMARY OF REASONING AND EVIDENCE FOR AND AGAINST NET PROMOTER

The obvious starting point for conceptual and empirical evidence for NPS is Reichheld's initial work. He built the conceptual case for recommendation saying that the recommender's reputation is on the line, and in that way it is a form of personal sacrifice engaged in if and only if the person is loyal to the company (Reichheld 2003). As an expression of loyalty, high proportions of recommenders should thus tie to business success. Empirically, Reichheld captured an aggregate view of a company's proportion of recommenders relative to the proportion of those unwilling to recommend. Specifically, he constructed NPS as the percent "promoters" (those rating likelihood to recommend at 9 or 10 on a 0-10 scale) minus the percent "detractors" (those rating likelihood to recommend at 0 through 6 on a 0-10 scale). His empirical work went on to show relationships between this aggregate company-level metric and company-level financial performance within several industries. Diagrams were presented demonstrating visually impressive linear relationships between NPS and company financial performance. Similar findings also were independently offered by Marsden, Samson, and Upton (2005). Subsequent compelling promotion of the NPS concept led to adoption by prominent companies such as GE, American Express and Microsoft (Creamer, 2006; Keiningham et al. 2007), adding further credibility and momentum to the upside case for NPS.

However, almost immediately after the initial introduction of NPS, a number of points of critique emerged from practitioners and academics (e.g., Grisaffe 2004; Kristensen and Westlund 2004; Morgan and Rego 2004). In the time since, additional conceptual concerns have been raised by both academic and practitioner authors (Crosby and Johnson 2007; Keiningham et al. 2007; Morgan and Rego 2006). Grisaffe (2007) recently summarized his collection of critical conceptual points of concern which included: a lack of inherent diagnostic information by which companies can improve the NPS score; fuzzy conceptualization regarding the nature of the metric (cause of, indicator of, or result of loyalty); discounted exceptions in Reichheld's data where NPS did not show the strongest relationship with financial performance; loss of information by collapsing eleven scale points to three categories; violation of temporal precedence; and the threat of extremely different data scenarios producing the same NPS score; among others. Additional conceptual points of critique have been raised recently by Kirby and Samson (2008). Empirical evidence also has arisen to challenge the singular claims about NPS (Keiningham et al. 2007; Morgan and Rego 2006). These studies have revealed that Reichheld's results may not replicate after all, and that other customer metrics may have just as much or more relationship with measures of company financial performance.

A LINE OF REASONING FOR FUTURE RESEARCH

Future research should focus on additional study of empirical associations between a variety of customer metrics and a variety of financial metrics. Following Reichheld (2003) and Keiningham et al. (2007), more studies should be done where

aggregated company-level customer metrics are correlated with company-level financial metrics. Like the original research, this would involve several companies as units of analysis within a given industry, and several industries across which to look for consistencies or lack thereof in observed relationships. In this simple view, an enhancement to previous research would (a) increase the number of companies within industries to make correlations more stable and statistically comparable, (b) increase the number and heterogeneity of industries studied, (c) build in longitudinal views that link *changes* in customer metrics to *changes* in financial performance, (d) examine international data from more distinct countries or regions, and (e) more rigorously support casual interpretations by ruling out alternative explanations and including more control variables. In all cases, NPS would need to show consistent superiority to continue propagation of the notion that it is the ultimate customer metric.

Moving away from simple bivariate correlations, multivariate formulations of the measures just described would help to establish relative amounts of variance in financial metrics explained by the various potential aggregate customer metrics. Hierarchical regressions for example, might first enter NPS, then in subsequent steps, determine whether the addition of other customer metrics add significant incremental amounts of explained variance. If so, the arguments for NPS as the "one and only metric" would seem misplaced. To increase statistical power, industries and countries might be pooled in such analyses with indicator variables reflecting potential intercept differences, and product terms representing potential interactions of metrics and industries/countries (e.g., the relationship between NPS and growth is moderated by industry, being strongly positive in industry A, but near 0 in industry B). A slightly different conceptualization would not fix NPS as the first predictive variable of interest, but rather would allow all potential customer metrics to "fight" for explained variance in a simultaneous-entry or empirical model building regression approach (e.g., backward elimination).

A third approach would be to recognize the importance of a variety of metrics, and to specify logical/theoretical associations among them in a more complex network of causes and effects through structural equations models. This would allow a more sophisticated specification of inter-related causes and effects among potential customer metrics in keeping with previous academic research. Various direct and indirect effects on sets of financial metrics could then be modeled. In this approach, there might even be unique matchings of customer metrics and financial metrics based on reasoning or prior research. For example, customer recommendations would logically link to growth by helping to generate new customers, whereas perceived customer value might be more related to customer turn-over intention, with existing customers only intending to leave when they no longer feel they are receiving competitive value for the money. Advances in longitudinal modeling with SEM also could be applied here to relate change trajectories in customer metrics to change trajectories in financial performance. Whatever the specifics, more comprehensive models with a variety of mediated and moderated effects are possible. These specifications likely reflect the complexities of reality more powerfully than the singular metric approach of Reichheld's NPS.

Finally, multi-level modeling (HLM) seems a particularly fitting way to proceed with new empirical research, given that much prior academic work has modeled relevant post-purchase evaluations and outcomes at the individual level, whereas Net Promoter is inherently an aggregate measure. Other aggregate measures also have been proposed including "top box" percent on customer satisfaction ratings, or percent of customers that are "truly loyal" – with high attitude and high behavioral intent. Like NPS, these are aggregate level measures computed across a set of individual ratings. While customer-level financial metrics also exist (e.g., sales, share of purchase), financial metrics linked to NPS have been at the company level. Thus, companies could be a level 2 variable, with aggregate customer metrics and financial metrics present, whereas level 1 measures might include individual customer evaluations and spending behaviors. With sufficient numbers of customers nested within each company, and a sufficient number of companies in an industry, multi-level modeling would be possible and an interesting advance in the application of newer methodologies to this particular area of research.

CONCLUSION

It would be wrong to throw out the proverbial baby with the bathwater. NPS ultimately derives from individuals' willingness (or lack thereof) to enthusiastically recommend a product or service to others. Marketers and consumer researchers have long accepted that word of mouth recommendation is a critical behavioral outcome of strategic customer experience management. Providing things like excellence in products and services and competitive value for the money results in strongly favorable customer perceptions and evaluations of a company's total offering. Managing to excellence on those causally-driving dimensions is required to generate positive word of mouth. Doing so thereby *earns* positive word of mouth as a *consequence* of competitive business practices – all logical precursors to market success. Thus tracking a metric like NPS may be very helpful and may indeed relate to company performance. In itself, it would be hard to argue that high NPS is a "bad thing." But of course, that is not the claim associated with NPS – that it is simply a good thing. Instead, Reichheld's claim is that NPS is the *one and only* thing companies need to attain and manage to drive business success and growth. With respect to that claim, conceptual and empirical evidence seems to be accumulating against NPS as the singular ultimate customer metric.

With conceptual critiques having been raised from a variety of perspectives, and empirical data accumulating both by companies using NPS and by academic researchers investigating it, likely a fuller and more complete picture of the status of NPS will emerge in the future. Potential new directions for additional evidence in this debate also may emerge from the application of a variety of more sophisticated methodological/ statistical approaches going beyond Reichheld's original aggregate-level correlational analyses.

After all is said and done, perhaps NPS will hold onto a prominent place within a larger set of vital customer metrics - one metric in a more comprehensive "dashboard" of customer measures empirically verified as linking to enhanced financial performance. While the appealing simplicity of a single number needed for growth may be sacrificed,

the additional complexity of several other important customer metrics seems more realistic and plausible, and more in keeping with our accumulated knowledge about customer post-purchase evaluation processes. A *multidimensional system* of metrics is more likely to capture the fuller picture of a company's relationships with its customers, and be a more actionable set of manageable antecedents which can be strategically improved to reap an impressive manifold collection of customer-driven business enhancing results.

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NET PROMOTER VERSUS

AN EXTERNAL QUALITY MONITORING PROGRAM

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INTRODUCTION

It would be difficult to overestimate the impact the Net Promoter Score (NPS) concept, as promulgated by Fred Reichheld in *The Ultimate Question*, has made on the business community. Some of the world's most respected business leaders write and speak about, claim they drive their companies based on it, and have spread the word almost like a new cult. The huge and highly diversified General Electric, the retail vehicle renter Enterprise, the heavy hitter on the web, eBay, and American Express, the high end financial services company, all rave about their use of Net Promoter and these are only a few.

As Net Promoter currently enjoys a privileged place in the business press, it is not surprising that academics have also taken quite an interest in the topic as well. Generally speaking, the academic press has not been overly kind to the Net Promoter concept. Grisaffe (2007) published an all but comprehensive analysis of the difficulties stemming from the conceptual underpinnings of Net Promoter in this very journal. Most interesting of all, Grisaffe used Reichheld's own prior writings on loyalty and related concepts as ammunition in construction of his argument to substantial effect. On the statistical side, Keiningham, Cooil, Andreassen, and Aksoy (2007) looked closely at the claim that Net Promoter alone can be used to drive a company to long-term success by examining the score relative to long-term growth in revenue. Their analysis did not support Reichheld's claims for Net Promoter.

It would appear there is little left to discuss; nevertheless, there are maybe a few morsels left to consider and we will do so here. Specifically our goals are to briefly review the Net Promoter concept by way of defining it and explaining the putative logic behind it. We will look more closely at the theoretical underpinning of Net Promoter and examine the relationship between word-of-mouth and customer satisfaction than Reichheld himself did. Next we will look at some of the various adaptations of the Net Promoter as practiced in firms. It is interesting to note that the variations are substantial in every meaning of the word. A brief examination of the empirical evidence will follow. Having voiced considerable dissatisfaction with Net Promoter, we will look to a Key Drivers measurement program using an advanced IVR and the CATs platform for an alternative to Net Promoter that will actually provide actionable intelligence – the supposed value of Net Promoter. Lastly we argue that Net Promoter and Key Drivers may not be not the only alternatives available or even mutually exclusive despite the rather bi-dimensionality

implied in this article's title. That is, word-of-mouth is powerful in the marketplace and that data can be obtained when collecting satisfaction data for very little additional cost.

THE NET PROMOTER SCORE

One of the most appealing aspects of Net Promoter is its simplicity. Anybody can readily understand it, use it, talk about it, and believe in it if it is not examined too closely. It is based on the effects of positive and negative word of mouth (WOM). And key above all is the claim that NPS is the one number you need to drive a company to success.

Simply stated, customers are asked some variation of the single question "How likely is it that you would recommend Company X to a friend or colleague?" The answers were recorded on a 0-10 point scale. Detractors were the proportion of those responding whose answers were 6 or less. The Promoters were the proportion whose scores were 9 or 10. Everyone else was neutral and did not count at all. Subtracting the Detractors from Promoters gives the Net Promoter Score.

The equation as envisioned by Reichheld is:

P – D = NPS
Where:

P = (scores of 9 or 10)/n
D = (scores of 6-0)/n
n = number of participants
NPS = Net Promoter Score

It is important to note an anomaly in the Net Promoter score that seems obvious but is seldom addressed in the literature either by Reichheld or his proponents: there are multiple ways to get the same Net Promoter scores but very different realities would prevail for those identical scores. (Grisaffe (2007) noted this as well and provided a different example.) For example, let us say a company is very polarizing in its policies leading to the following:

P = 50/100
D = 40/100
NPS = 50%-40% = 10%

In this example, half of the customer base loves us and promotes our business to others. Almost as many (40%) are detractors who dislike us. Only 10% of our customers are "indifferent" to us.
Now let us assume the following:

P = 20/100
D = 10/100
NPS = 20%-10% = 10%

Although the calculated Net Promoter score is the same, there is likely little else that tracks between these two examples. The policies that led to the polarizing of customers are absent in the second example. Nearly everyone (70%) is indifferent. Few people "hate" the company, but there are also few who "love" it either. In other words, the company is blasé.

The likely recommendations to help out these two imaginary companies would be very different. Company 2 needs a personality. Company 1 has a personality, but needs a "personality-ectomy" to excise it entirely or a massive makeover at the very least. Somehow the products or services of this company are almost as effective at alienating as wooing customers. We can see that, but we cannot see what to change. "Drilling down" into the data would be required except that with this NPS score, there is no data to disaggregate and analyze.

THE LOGIC OF NET PROMOTER

Reichheld begins with the rather appealing and intriguing concept of bad versus good profits and delineating the Golden Rule.

The Golden Rule is exactly what we have been taught in the Judeo/Christian tradition: "Do unto others as you would have them do unto you." Treat your customers as you wish to be treated makes immensely good sense especially if your firm values long term relationships rather than one-off events.

He ties this to the novel concept of good and bad profits. Now there is no such concept in accounting: all profits are inherently good as far as accounting goes. To Reichheld, good profits are those derived from expansion of the core business and "with the customers' enthusiastic cooperation…Satisfied customers become, in effect, part of the company's marketing department, not only increasing their own purchases but also providing enthusiastic referrals" (pages 9-10).

But Reichheld goes on to contend that bad profits are those that come from "captive" consumers. Customers often continue to engage in business transactions because they are under contract, have insufficient time to search for other alternatives or simply because one company's offerings are the least objectionable of those available. These are customers who are making the company money, but only because another alternative is unavailable. So profits continue from this customer only so long as the search for viable alternatives continues. Once another alternative as good or better than the current is found, this customer will switch and all the "bad" profits will disappear. Another quite different and potentially more devastating consequence of negative profits could be negative word-of-mouth.

Word-of-mouth (WOM) is the concept that underlies Net Promoter. Maybe the simplest definition of WOM is: one individual sharing information with other individuals (Herr, Kardes, & Kim, 1991). That people do indeed indulge in WOM is clear. Roughly half of

all Americans "often seek the advice of others before making a decision to buy products or services, and about 40 percent feel that people often come to them for purchase advice" (Hawkins, Best, and Coney, 2001.) Of course, as implied above, WOM can be either negative or positive.

The anecdotal evidence for WOM is substantial, but there appears to be no simple, clear linkage between WOM and sales or other outcome variables. For example, researchers probed the link between volume of WOM and future television ratings and found no consistent relationship (Godes and Mayzlin, 2004).

Nevertheless, WOM has received substantial attention from academics. Product issues and WOM were studied (Murray 1991 and others). Service contexts were investigated by Bansal & Voyer (2000) who suggest that WOM may be even "more influential within a services context than strictly just product marketing scenarios (Murray and Schlacter 1990). The Bansal and Voyer (2000) research focused on Positive WOM and, using path analysis, found that both *noninterpersonal* forces and *interpersonal* (social network) forces influenced positive WOM in the service context. Negative WOM has also received attention (e.g., Charlette, Garland, and Marr 1995; Mizerski 1982; Richins 1983) and negative WOM after switching products (Wangenheim 2005). One finding that seems to be consistent is that negative WOM is more influential than positive WOM (e.g., Bone 1995; Mizerski 1982). The research on WOM from the academy is deep, rich, and complex.

The Net Promoter Score to the contrary is quite straight forward and in that simplicity, appealing. Unfortunately that which is appealing due to its simplicity may not handle the complexity that could make it useful. (We will return to this theme when we review the empirical evidence.)

Reichheld does have something to add on the topic of WOM.

We also realized that two conditions must be satisfied before customers make a personal referral. They must believe that the company offers superior values in terms that an economist would understand: price, features, quality, functionality, ease of use, and all the other practical factors. But they also must *feel* good about their relationship with the company. They must believe the company knows and understands them, listens to them and shares their principles. On the first dimension, a company is engaging the customer's head. On the second, it is engaging the heart. Only when both sides of the equation are fulfilled will a customer enthusiastically recommend a company to a friend…That's why the 'would recommend' question provides such an effective measure of relationship quality. It tests for both the rational and the emotional dimensions. (*The Ultimate Question*, page 28.)

It is unfortunate that this rather appealing conceptualization of "two for one" is not supported with specific research to substantiate the assertion. None was presented anywhere in Reichheld's writings. We cannot think of any instance in replicated research where one item is believed to conceptualize two different constructs simultaneously

although there are many instances in which multiple items are used to capture a single construct. Solid research is predicated on items in instruments being designed to capture one or a part of one construct. In some cases constructs are deemed sufficiently complex that multiple items will be written to capture the essence of the single construct. Items that "load" on multiple constructs are always eliminated as they are not pure. (Churchill (1979) provides the full explanation of this point, but it is one that is well known and accepted by most researchers.) Never before have we seen a single item meant to capture multiple constructs: that is, both the emotive and intellectual dimensions simultaneously via a singular item. This assertion as it is so far out of standard scientific practice that it is surprising that other reviewers did not comment on what is patently questionable practice.

ADAPTATIONS OF NET PROMOTER

To read the enthusiastic writings of the spokespersons for some of companies that have adopted Net Promoter, it is the best invention since "sliced bread". If that is so, why, one ponders, have the large number of NPS adaptations arisen? For every adopter of NPS, it is fairly easy to find a company that **adapted** it instead. Some of the adaptations are quite different from what was originally proposed. For example, Reichheld suggests an eleven point scale: 0-10. He argues, reasonably enough, that the zero ending point reduces respondent confusion as receiving a score of "zero" is never good, while both ones and tens could be the superior mark depending on the instructions of the researcher.

Several companies use alternative scales. General Electric uses a 1-10 scale and the Word of Mouth Marketing Association (WOMMA 2005) recommends this as the scale to use with Net Promoter. Enterprise Rent-A-Car uses a 5 point scale and eBay only 3. (These specific examples were taken from *The Ultimate Question*.) As Reichheld himself asserts, "other scales seem to work" (*The Ultimate Question*, page 98.)

One company does not even use the "net" in Net Promoter. Specifically Enterprise Rent-A-Car uses a 1-5 system and "top box" (scores of 5 only) rather than net (Promoters less Detractors). Nevertheless, Enterprise runs a substantial program that it credits to Net Promoter although it has made important changes. Most importantly, they have been very successful in using this metric coupled with other research efforts to "drive" their company to growth and profits.

It may well be that these adaptations seem to work about as well because the NPS which is designed with an 11 point scale that can surely detect differences in opinions gets collapsed into 3 levels in the Reichheld work. We never really get a satisfying explanation of why the collapsing is done or why it is that ratings of 6 are "indifferent" rather than good (see Grisaffe 2007); so it may be that varying scales does not matter because there is no particular reason to do one thing over another; that is, there is no theoretical underpinning to the rubric so one means may be as good as any other.

ONE METRIC? THE EMPIRICAL EVIDENCE

Some part of the ready acceptance of Net Promoter likely arose from Reichheld's credentials and some from his claims of large studies over many years in discovering the NPS. The underlying belief is that Net Promoter is rooted in research findings in many firms across many industries for many years. This does not appear to be accurate.

This perception is bolstered by the language:

…we administered the test to thousands of customers recruited from public lists in six industries: financial services, cable and telecommunications, personal computers, e-commerce, auto insurance, and Internet service providers…Eventually we had detailed information from more than four thousand customers…

All this number crunching had one goal: to determine which survey questions showed the strongest statistical correlation with repeat purchases or referrals (page 27).

In other words, all the above was accomplished in search of the question, "How likely is it that you would recommend Company X to a friend or colleague." This description then pertains to the research used to narrow the list of possible items down to the "ultimate question" rather than to evidence of the efficacy of the Net Promoter metric itself. In Churchill's (1979) scheme, this seems to be steps 4 (Purify the measure), 5 (Collect data for reliability and validity assessment) and/or 6 (Assess reliability) in some combination. The above description does not seem to imply step 7 (Assess validity) as doing so would require more than correlation with repeat purchases or referrals. It would also require assessing the correlations with unrelated constructs at the least. (For a more complete discussion of validity and measurement, see any market research text such as Tull and Hawkins 1993).

It was later research which was accomplished to determine the correlation between NPS and revenue growth rate which is a key contention of the Net Promoter idea. Here the language read "over 50 companies…across a dozen targeted industries" (Satmetrix 2004). However it turns out, following the logic of Keiningham, and colleagues in the *Journal of Marketing* (July 2007):

In the *Harvard Business Review* article that introduced Net Promoter, charts for three of the industries examined were presented; the sample sizes in terms of number of firms) were three, five, and ten (Reichheld 2003). This would mean that the sample sizes for each of the remaining nine industries were approximately 3.6 on average (i.e., [50 – (3 + 5 + 10)]/9 = 3.56. Therefore, industry sample sizes were small (page 42).

So although the perception is that Net Promoter is based on large samples and rigorous studies, this is not demonstrably so at least to date.

Furthermore, Reichheld claims that Net Promoter is the "single most reliable indicator of a company's ability to grow" (Netpromoter.com 2006). Until recently there was no independently conducted, clean research to confirm or dispute this claim. (While there were studies conducted by Morgan and Rego (2006) and another by Marsden, Samson, and Upton 2005, both contained some difficulties which made direct comparisons problematic.) But Keiningham and his colleagues report such an effort in the July 2007 *Journal of Marketing*.

To summarize the main points made by Keiningham et al., longitudinal data were used from the Norwegian Customer Satisfaction Barometer from 21 firms and more 15,500 interviewed customers on intention to purchase and recommend. As it turned out, the data from the NCSB was an excellent source for testing the Net Promoter hypothesis.

Unlike most data collection procedures for customer satisfaction, the NCBS identifies customers from the universe of purchasers and then identifies the company from which the customer purchased or consumed rather than starting from an identified company and its lists of customers. If a respondent qualified as a recent purchaser or consumer of a service, he or she was asked if this service came from the list of companies being measured. If not, the interview was terminated. Each respondent was interviewed for only one service (page 41).

As with the Reichheld research, firms were grouped into industries. The NPS and several other satisfaction indices were computed and compared to revenue growth rates for these industries.

Examination of the correlation tables makes it clear that:

Net Promoter in no way would be categorized as the "single most reliable indicator of a company's ability to grow" (Netpromoter.com 2006). Indeed, there is no real indication that average levels of any of the satisfaction/loyalty metrics in Table 1 are significantly correlated with the relative change in revenue within the respective industry (page 42).

Keiningham et al. (2007) then went a step further. Since they did not have access to Reichheld's raw data, it was impossible to compare the NPS data to other commonly used satisfaction/loyalty indices. But the authors cleverly used the appendix to *The Ultimate Question* which featured graphs. These were enlarged and the data back engineered. These graphs summarized data from the American Customer Satisfaction Index (labeled ASCI annual growth) and the other axis "sales annual growth". The R-square reported was .00 indicating there was no correlation. This finding contradicts not only commonly held beliefs, but also research published in respected journals (e.g., Anderson and colleagues, 2004; Gruca and Rego (2005); Fornell and colleagues (2006). That is, the ACSI has a demonstrated, scientifically confirmed relationship with outcomes such as growth according to the research published in rigorous, reputable journals. Keiningham and colleagues sought to reconcile these two disparate findings using the data from the back engineered graphs.

When the Keiningham team compared the results they concluded that:

1. The ASCI looked very similar to the originals leading to the conclusion that Net Promoter and ASCI results were very similar when compared to revenue growth rate. Given the .00 correlation reported by Reichheld, this is a very surprising finding.

It is worth taking a moment to think about what is happening.

The first test many social scientists run is a simple visual inspection. That is, does this look right? In order to perform this test, all one needs is to know "in what direction" the results should go.

A correlation coefficient of .00 means there is no relationship between the two things being compared. ASCI is a well known and researched measure of customer satisfaction. According to Reichheld, the correlation coefficient between the ASCI customer satisfaction index and revenue growth is .00 meaning there is no relationship. (This assertion contradicts other research. See, for example, articles by Anderson, Fornell, and Mazvancheryl (2004); Gruca and Rego (2005); and Fornell and colleagues (2006).) Reichheld however contends there is a strong relationship between Net Promoter scores and revenue growth. Logically, therefore, the graphs of ASCI and revenue growth should look very different from Net Promoter and revenue growth.

As we all know, if A = B and B = C, then A = C. Therefore, if the graphs look very similar, then Net Promoter and ASCI must be measuring roughly the same thing.

In two of the three industries for which actual comparisons could be made, the ASCI correlations were higher than the Net Promoter correlations.

R^2 Values for Growth and Net Promoter and ASCI Scores

	Net Promoter	ASCI
Personal Computers	.68	.76
US Life Insurance	.83	.58
Airlines	.57	.70

Table built up from content taken from Keiningham, et al. (2007)

In sum, looking though the empirical evidence at hand, it is not at all clear that Net Promoter is the "one metric you need" as there are others that also do well. This is not altogether surprising as Reichheld himself states: "The 'would-recommend' question wasn't the best predictor of growth in every case… in database software, by monopolies or near monopolies, [and] …in the local telephone and cable businesses" (page 55). In other words, in the above industries, the Net Promoter Score did not fare well. So in summary, Net Promoter, even by Reichheld's standards, is not "The One Metric You Need" as it is not the best predictor in certain industries. Indeed, there is clear evidence that other satisfaction measures, namely the ASCI, predict as well or better in some instances.

Conceptually and empirically Net Promoter falls well short of its author's aspirations. More importantly still, from a practitioner point of view, the Net Promoter score fails to provide actionable intelligence—and that was the supposed purpose of Net Promoter in the first place. Computing a single score in an *ad hoc* manner makes little sense when the stakes on the table are millions to billions of dollars. A well-conceived, on-going program to tap the satisfaction of customers designed to provide actionable intelligence is more sensible along every dimension. Periodic reports would emerge that could allow for comparison over time and these could add important insights to trends. As new technologies and new research findings from academia emerge, these too could be incorporated. Overall it is important to realize that business is not a static condition. New competitors enter challenging the old paradigms and old competitors leave the field. Globalization had brought many opportunities to cut costs but also has resulted in customer dissatisfaction, for example, in call centers operated abroad with agents speaking in heavily accented, barely intelligible English. Some customers become so frustrated with these interactions that they hang up and call again in hopes of getting an American. (There has been much press in the 2007 Christmas season over imported toxic toys being recalled and concerns in the Spring 2008 over the quality of Chinese under-priced steel "dumped" on the United States market and used in building projects across the country including deteriorating but relatively new schools in California. This is by way of saying globalization is not necessarily good or bad, but it certainly adds volatility to business.) An ongoing program is definitely the way to go when stakes are high and change the only certainty.

As one potential alternative to the ad hoc nature of the Net Promoter scores as promulgated by Reichheld, we offer systematic approach which focuses on satisfaction which must exist before positive WOM can emerge. That is, while Riechheld focuses on WOM intentions, we suggest a program based on the satisfaction of customers which is logically an antecedent of WOM intentions and actions. Bansal and Voyer (2000) phrased it well in looking to potential limitations of their research on "Word-of-Mouth Processes within a Services Purchase Decision Context" when they cautioned:

Dangers do exist in the above framework as it is based on the assumption of a positive WOM flow from the sender to the receiver. Negative WOM could have a detrimental effect on the actual likelihood of purchase. Ultimately, therefore, businesses must do whatever it takes to keep the customer satisfied. Businesspeople must also realize that they can do much to influence WOM by providing good service (in accordance with the desires of customers), effectively practicing relationship marketing, and ensuring all activities are client centered" (page 176).

We heartily concur and suggest an alternative to Net Promoter based on customer satisfaction data collected at the time of contact with the company; to use an automated, real time collection technology that automatically avoids a host of biases which can be introduced from time delayed collections; that the data be collected as part of the on-going quality program of the firm; and that the voice of the customer be captured so as to allow the customer to be clear about what needs are not being met.

A KEY DRIVERS PROGRAM

The customer service channel is critical to customer loyalty and retention. It is basically the "front line" in the war for sales both current and future and virtually the only means to recover failed service encounters.

The call center industry generally employs two quality programs to assess the goodness of the services provided. The Internal Quality Monitoring Program is an internally oriented check to ensure calls are handled according to legal and other business considerations. A designated Monitor will listen to an agent taking a call from a customer and then rate the agent's performance relative to defined standards. These standards are likely to include greeting, tone of voice, attempts to cross or up sell, etc. They are essentially a quality control check on the things that are important to the efficient running of the center.

The External Quality Monitoring (EQM) program is a full, formalized, well-considered research effort. The best of these programs in the contact center environment invites callers to participate in an immediate post call survey utilizing Interactive Voice Response (IVR) based surveys. IVR surveys eliminate the problems of delay and also overcome the high costs associated with declining response rates to mail and phone surveys. IVR-based surveys are a definite improvement over old ways of soliciting customer feedback for this customer service channel.

Advanced IVR survey applications can be a complete process for gathering, analyzing, and providing results so management can ***act*** upon customer intelligence. Customer Relationship Metrics designed and built such a research platform known as "CATs" which stands for Completely Automated Telephone survey. This advanced process utilizes IVR-type technology coupled with sound survey design, extraordinary flexibility in scripting and branching, and the ability to capture actual customer explanations for certain scores deemed to be critical drivers. By adopting advanced IVR technology as part of a complete process, it is possible to integrate best practices in customer relationship management into the EQM customer measurement program. Feedback from an advanced IVR program is less expensive per response than either mail or phone surveys which is another added incentive to use this technology.

Here's how the CATs Advanced IVR program works. Callers are greeted at the front of the call with a request to provide feedback at the end of the call on their satisfaction with the interaction. This is done without the agent knowing of the impending evaluation. When callers finish the transaction with an agent, they are connected to the advanced IVR survey. Because the request for feedback is immediate and non-intrusive, response rates are very high and confidence levels of +95% are easily achievable.

Qualitative feedback is captured in the customer's own words. In addition to being asked to respond to various questions on a numeric scale, respondents are invited to say—in their own words—whatever they would like to say about the experience. The CATs

Advanced IVR technology captures the customer's actual words and the transcription complements and elaborates on the scores. The comments are reported in aggregate as well as being attributed to specific calls and specific agents. In other words, the specific team or individuals can be paired with the feedback so as to permit targeted, disaggregated feedback to the appropriate level all the way down to individuals.

The CATs Advanced IVR also allows for the set up of an alert process at whatever threshold management feels is warranted. For instance, on a scale of 1 to 9, if a customer were to rate the overall experience at a 3 or below, the CATs Advanced IVR technology is programmed to immediately trigger an e-mail alert containing the customer information and audio file of the comment to the team to launch a service recovery plan right away, thus avoiding negative WOM from the customer to others as well as the potential loss of the future revenue stream from the customer.

The CATs Advanced IVR program also is more robust than earlier generation stand alone IVR systems. With it, management gets graphical feedback in the form of an impact and performance chart based on the contact center's key drivers of customer satisfaction. In short, this graphic feedback tells management in which areas the contact center excels and which areaa are considered important by the customer. That is, customers themselves through their participation in the CATs survey effort, provide feedback which is interpreted for management's use. That feedback says what the contact center is doing well or poorly and which performance items are truly important to customers. What could be more useful to management than the customer's own evaluation of where the center or company needs to improve?

The goals of an EQM program are to collect data that can accurately accomplish the following:

1. **PERFORMANCE** measure. This is the caller's evaluation of the attributes of service which is rendered as the mean level of performance.

2. **IMPACT** values. These identify the service attributes that are statistically significant to caller satisfaction. These are essentially the drivers of satisfaction.

The performance means and calculated impact values of each service attribute enable the quantitative identification of areas in which service performance may be below an acceptable level as defined by the data collected from the callers. Management can, with this type of analysis, effectively address specific improvement areas that are drivers of satisfaction and, therefore, contribute substantially to the center's ROI. Without analyzing the relationships, it is not possible to determine which static number truly has an effect on the perception of service delivery.

The **IMPACT** values are computed by regression analysis. This analysis considers the mathematical relationships AMONG the points of measurement so the results are relational rather than static. As a result, regression analysis of caller satisfaction data will concretely demonstrate the amount of impact that each attribute has on overall

satisfaction. This will allow the monitoring of those specific areas where changes will raise caller satisfaction with the center and allow management to concentrate on the areas that are most important to the customer. Since this analysis can be provided for each center location, for each team, for each queue, or for each type of customer, better defined results and areas to be targeted for change will become apparent. Therefore, the dollars spent on coaching and training can be maximized by implementing change only for the specific areas that need it most.

An example of a regression model stated in words rather than in symbols follows. Note the questions contained herein are merely one example of many possibilities. The questions themselves could be derived using Churchill's (1979) paradigm, prior research within the focal company or industry research published from other resources. Except for multiple items needed to capture complex constructs, ideally the items will be collectively exhaustive and mutually exclusive so that all that needs to be asked is and nothing extra is collected. Factor analysis and other statistical methods may be employed in determining exactly which items need to be included.

In the current example, the rating of overall satisfaction with the agent is a function of seven variables (or attributes) captured by seven questions:

1. the agent's ability to quickly understand the reason for the call (Q1),
2. attention to the details (Q2),
3. being treated as a valued customer (Q3),
4. the product and service knowledge (Q4),
5. the completeness of the answer provided (Q5),
6. the confidence in the answer/solution instilled by the Agent (Q6), and
7. the agent's demonstrated ownership of the issue (Q7)

This model is mathematically represented as:

Overall Satisfaction = *f* (Q1, Q2, Q3, Q4, Q5, Q6, Q7)

This means that overall satisfaction is a function of the answers to questions 1 through 7 above. By running the regression analysis, we learn what that function actually looks like so that we can say with confidence that certain attributes (questions) impact caller satisfaction more than others. Before we discuss how this is done, let us consider a conceptual example of what was stated above.

Once the analysis is run and the output is available, first examine the *R*-square value. This will indicate the amount of variance in caller satisfaction that is explained by the combination of all the attributes that were selected for inclusion in the model. In this example above, there are 7 attributes selected. If the *R*-square value is above .400, the model is considered to be a good fit. That is, if the R-square term is above .400, statisticians judge the proposed model to be a good reflection of reality. To further explain this value, if the results show an *R*-square value of .5126, then 51.26 percent of the variance in caller satisfaction is explained by the attributes that are included in the

model. That percentage is generally accepted by the scientific community as strong evidence that the proposed model reflects what is actually happening in the environment under investigation.

Next, examine the impact that each *individual* attribute (i.e., question) has on caller satisfaction by reviewing the *B* value. This is termed the *Beta* coefficient or sometimes the regression weight. The higher the value of *B*, the more impact that attribute has on caller satisfaction. That is, the higher the *Beta* coefficient the more that attribute contributes to or weighs on the outcome.
Then look at the significance values, termed the *t*-values, from the output. If the values are .05 or less, they are considered to be statistically significant. Those attributes that have the highest *B* value AND are statistically significant have the most impact on caller satisfaction. These high *B* value, statistically significant attributes are the ones that have the potential to generate the largest ROI improvements when remedial programs are untaken, other things being equal. When these **IMPACT** drivers of satisfaction which were identified by the analysis are combined with the measures of **PERFORMANCE,** the complete picture of the relationships AMONG the attributes can be seen.

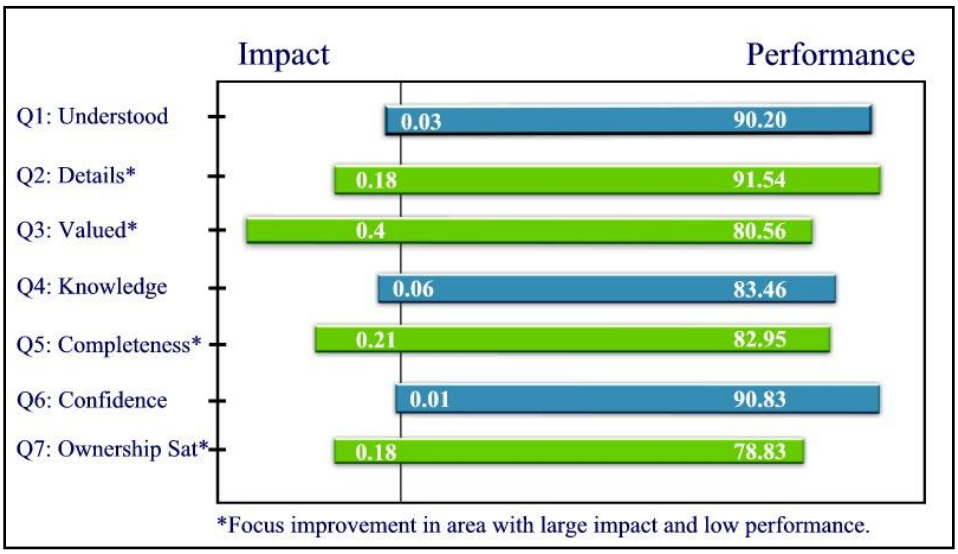
Let us take a moment to review ROI. Standard texts give the formula as:

$$\text{ROI} = \frac{\text{(Gain from the investment)} - \text{(Cost of the investment)}}{\text{Cost of the Investment}}$$

Obviously then costs matter a great deal in choosing whether to implement any given investment based on the Key Drivers analysis. If the costs are similar, the rubric would be to select the high *B* value, statistically significant attribute related investments as these are designed to attend to what is important or "effective". Nevertheless, it is important to be "efficient" too. If the most "effective" project cost $1 billion and makes a big change, it would still be impractical. If a project cost $1 and would provide incrementally less outcomes, it would be the one to select. Hence "other things being equal" must refer to the costs as well as to the gains of any given project.

Customer Relationship Metrics provides the chart below to its clients as an aid to understanding the inter-relationships among the variables. The drivers of satisfaction are marked with an asterisk because each is statistically significant ($t < .05$). The **IMPACT** values on the left are the *B* values (weights) from the regression model discussed above. The **PERFORMANCE** scores on the right are the mean scores for each question as rated by the caller and transposed to the 100-point normalization scale. Representing the analysis pictorially assists the users in easily identifying the improvement opportunities with the greatest potential for increasing ROI given projects of equal dollar value.

Regression Analysis Example (Impact and Performance Chart)



The visual format clearly identifies the areas of focus in which there is the most room for improvement as Q3 Valued (at 80.56) and Q7 Ownership (at 78.83). The **IMPACT** bars indicate that Q3 Valued (at 0.4) as far and away the most important followed by Q5 Completeness (at 0.21), and Q2 Details and Q7 Ownership (tied at 0.18). So the rule of thumb, as stated above, is that we should concentrate on those that have the largest impact on caller satisfaction *with* the lowest **PERFORMANCE** scores. Stated another way, efforts should go to improving those things which we do not do well which simultaneously matter to the customer. Q2 (Details), Q3 (Valued), Q5 (Completeness), and Q7 (Ownership) are the drivers of satisfaction for this group (center, team or queue). This is true because each is statistically significant (as marked by the asterisk) AND we received the lowest scores on these variables. Again it is important to emphasize that anticipated costs and gains from the investment are also important to assess before undertaking substantially expensive projects.

The results of the above analysis can be displayed in a decision matrix. This matrix clearly identifies the attributes that offer the best opportunities for action by the center (team or queue). A score of 85 is set to be the dividing line between high and low performance as 85s have been discovered from previous research to be key levels of satisfaction that contribute to customer loyalty. While 85 is not a magic number and it does not have any theoretical reason to be the divider, nevertheless it is widely accepted as having practical significance and so we adopt it here. The 85 level is visible as a vertical line through the matrix. The horizontal line is set at t = .05. Those attributes that are statistically significant are shown above the horizontal line (i.e., $t < .05$) and those that are not are shown below (i.e., $t > .05$). A tour of the four unequally sized quadrants is appropriate.

Beginning at the origin, the first quadrant contains variables with both low **IMPACT** and low **PERFORMANCE**. Such variables that end in this cell are not well done (i.e., performance is low), but also have little **IMPACT** on satisfaction and so require no specific managerial attention since they matter very little to customer satisfaction. In this particular example, the attribute "knowledge" requires no managerial action. Moving to the right, the second quadrant contains variables that have attained statistical significance meaning they are well done in the center; however these variables have little **IMPACT** on overall satisfaction. In this case "quickly understood" and "confidence in the solution" are given superior ratings in **PERFORMANCE** while neither matter very much to the customer, so there is little reason to invest in either of them. Moving up from the second quadrant, one enters the third quadrant: the coveted Top Box. The **PERFORMANCE** rating for variables in the third quadrant are statistically significant meaning the center delivers these variables very well. Additionally these variables are important to customers as they also have high **IMPACT**. In this example, there is only one variable in the Top Box: "attention to details". Moving to the left one enters the critical cell from a managerial standpoint as it is only the variables in this cell which present an important improvement opportunity. Variables in this fourth quadrant have **IMPACT** but low **PERFORMANCE**. In other words, the center is not doing these very well and they are important to customer satisfaction. In this example the variables "treating as a valued customer," "completeness of response" and "taking ownership of the issue" require managerial attention. These then are golden opportunities.

The challenge for management is to move these attributes in the fourth quadrant to the right into the Top Box to be a service differentiator. As the example shows, "attention to details" has a high performance score (over the 85 threshold) and is a driver of satisfaction; therefore it is in the Top Box. Management would be well advised to do all within the budget to move "Valued," "Completeness," and "Ownership" into the Top Box as well. Work on these three likely will give the center the most return for the investment.

Those variables that are in the lower row can be monitored since these do not require an investment at this point in time. In this example, "quickly understood" and "confidence in the solution" have high **PERFORMANCE** scores, but are not drivers of satisfaction and, therefore, are not prioritized for action. But it is worth noting that the results could change over time and move into the top row in which case the priority would be changed.

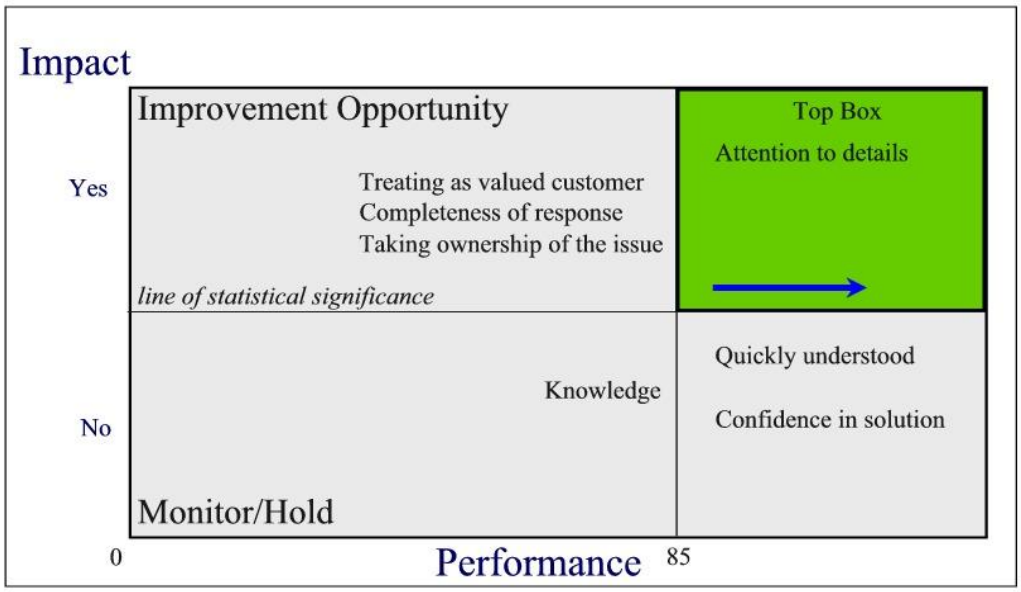
This example shows that customer evaluations cannot be viewed as a static number. The relationship in the matrix is right to left (acceptable or not) and top to bottom (a driver or not). This is a continuous process. As the center improves and invests in important areas, identification of the changes is required to concretely demonstrate the improvement and the positive investment ROI for the improvement initiative.

It is worth also noting that the drivers of satisfaction results will be different for different sets of data. One team versus another may have different strengths and weaknesses or

one queue versus another. It is not possible to do the research once and think there is no reason to return again.

The power in this analysis is in its ability to provide pinpoint accuracy in areas of opportunity. The results from the EQM Program will show a high ROI from investment in time and resources for service delivery improvement.

Decision Matrix: Results of the Impact and Performance Chart



"AND WILL ALSO WORK"

Sometimes there is a real tendency to become extreme when confronted with an extreme. The Net Promoter score can engender this kind of reaction because the proponents have promised much more than it can deliver. It is simply portrayed in extremes: "The one number you need to manage" as though it is at all reasonable to presume that any one number could be "the one"! Business is complex. No one, simple number can truly drive a company.

The program we have suggested as an alternative to Net Promoter has many advantages including on-going data collection, actionable intelligence, collection of both qualitative and quantitative data, and is based on satisfaction of the customer. It is an excellent program, reasonably easy to comprehend, and can be had at a reasonable price. But it is not necessarily the only program available. In fact, if one truly believes strongly in the force of WOM in the market place, a good alternative would be to run the satisfaction program as suggested here and add on the "ultimate question". That data can be aggregated across customers and a tally made. Even the "net" could be accomplished if

such was desired (although as argued earlier, it is not clear why one would bother.) Net Promoter, then, could become a regular part of the quality program of the firm.

Just as alarms can be set up to indicate when satisfaction scores below a given number are registered, so too can an alarm sound when a customer indicates unwillingness to recommend. (It would not be impossible for a customer to be happy with the agent's service while being enraged with the product/service of the company itself, although it would be more likely that both would track together since most customers would expect the agent to "fix" the problem and be unhappy if it could not be done.) These WOM intentions could then be investigated to see what the root problem is. That is, real data from real customers who do not intend to recommend the firm to others could be collected to see where the problems lie. Recognizing a problem is the first step to fixing it; so collecting this data would be infinitely superior to the typical *ad hoc* Net Promoter score.

In some sense then, it is truly not an "either/or" proposition. There is no real reason that the program set up to obtain customer satisfaction data could not also collect WOM intentions as well, and at a reasonable cost to the firm. If no new intelligence was gained from the effort, then the "would recommend" question could be eliminated. If something new was learned, then the program could be altered to take that new information into account. It is not necessary to be so extreme. WOM is an important construct with important implications. Our program can accommodate it along with the satisfaction data.

SUMMARY

The Net Promoter Score seems to be more an idea than real guidance to managerial decision making. It is conceptually weak and empirically unsound. It is a single item which cannot in and of itself provide any useful knowledge. Even when the score is known, its derivation is subject to question (why is "6" not favorable) and its practical usefulness non-existent as two firms with the same scores may have very different problems to solve.

Even if one takes the NPS as a starting place, there are problems as a program designed to provide actionable answers will still be required. Key driver analysis is still necessary to identify needs for change in customer-facing channels such as customer service or product development. A manager who is responsible for the customer experience requires more information than a summary NPS score.

An EQM program using the CATs system based on advanced IVR technology presented here is one such program for the customer service channel. Unfortunately the CATs platform has not received the press of NPS. It is not and does not pretend to be simple let alone simplistic. But it can provide the kind of actionable intelligence the NPS cannot; and it can work with the "will recommend" question to alert management of dissatisfactions that may not be captured otherwise.

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PUBLIC SERVICES IN NONMETROPOLITAN ILLINOIS:

RESIDENTS' PERCEPTIONS AND POLICY IMPLICATIONS

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ABSTRACT

A critical issue facing nonmetropolitan communities is out-migration. It is now a well established fact that consumers' perceptions about the quality of community services determine residency decisions, not the objective reality such as state and local government expenditures in the region. This paper analyzes residents' perceptions about community services in nonmetropolitan Illinois. Specifically, using residents' perceptions about community services, a perceptual map is constructed and counties plotted on the perceptual map. The results reveal that residents in non-metro Illinois possess the following internal knowledge structure or schema of community services: (i) preservation of life services, (ii) general welfare, and (iii) entertainment. While, on average, the residents are satisfied with entertainment services in the region, they are dissatisfied with preservation of life services. In all, three strategies are outlined for communities to manage residents' perceptions: a community should emphasize its best benefits, mention its equal benefits, and trade off or omit its inferior benefits. The approach we recommend for communities experiencing negative benefit perceptions is the attribute to benefit path. The theory is that by redirecting resident's information processing from the gestalt "benefits" approach to the attribute-based approach, communities can minimize negative assessments.

INTRODUCTION

This paper deals with residents perceptions about public services in non-metro Illinois. Public service is a collective consumption product: an individual's consumption of the product leads to no subtraction from any other individual's consumption of that product (Scott and Marshall, 2005; Tiebout, 1956). Examples of collective consumption products include street lights, and public radio / television services.

The mechanism by which governments produce and distribute public products to consumer-tax payers is given by the "median-voter" model (Dye, 1990). The theory is that each resident tries to balance or tradeoff the utilities obtained from higher levels of public service against the disutility of higher taxes. After each resident has decided on an optimal level of public service based on her own needs and preferences, the choice of the median voter determines public policy. This type of reasoning suggests that survey information on the "level" of public satisfaction with public services is important for policy purposes (Kamen, 2002; Pollak, 1998). As aptly pointed by Kelsey (1998), without these surveys, local officials' decisions about public services could be based on misperceptions of community needs.

As a further impetus to gauging public perceptions about public services, Karlgaard (2004) argues that rural communities that are perceived as "quality-of-life havens" are on a success path; they tend to attract population and jobs from urban to rural regions. Note that it is public perceptions about the quality of services that determine residency decisions, not the objective reality such as state and local government expenditures in the region (Kelly, 2003; Sharkansky, 1967; Williams and Florez, 2002).

This paper identifies groups of non metropolitan Illinois counties that display similar patterns of service delivery. Specifically, using residents' perceptions about public services, a perceptual map is constructed and counties plotted on the perceptual map. It is hoped that such an exercise will help regional planners fine-tune their marketing processes to better position their communities in residents' quality-of-life perceptual space.

THEORETICAL FRAMEWORK

Why do perceptions matter? Perceiving or comprehending the meaning of a stimulus involves categorizing the stimulus (Smith, 1995). For instance, a road is clean if it resembles our mental representation of the category "clean road". This mental representation of clean road could include features such as: (i) no litter on the road-side (ii) paved evenly (iii) pedestrian crossings marked or painted legibly, and so on. The more features the object shares with our mental representation of "clean road", the more likely we would consider the object a clean road.
This doesn't mean that to perceive or comprehend a stimulus, all features related to that stimulus stored in one's memory, would be considered. According to the accessibility principle, only frequently encountered features would be retrieved from memory to categorize the stimulus (Fiske and Taylor, 1991; Smith and Osherson, 1995). Continuing with our clean road example, if the resident is often exposed to reports about roadside litter (for example, see the Roadside Litter slideshow online at http://www.flickr.com/photos/71952913@N00/sets/302257/) then, the "litter" feature would be one of the most accessible feature in the resident's memory about cleanliness of city streets.

Assume that a resident has knowledge of differences among cities in terms of cleanliness of streets. Technically, these are cleanliness expectancies associated with the cities (Bayton, 1958). Research in cognitive psychology suggests that these expectancies predict behavior (Rossiter, 1996; Schwarz, 1995). To elaborate, assume that the resident is fully mobile and is looking for a city to live. Furthermore, assume that her decision is based on a single criterion, "cleanliness of the city". Of all the cities that the resident is aware of, if city A is perceived as having the cleanest streets, then city A is assumed to have the maximum appeal as a place of residence.

The discussion above is a summary of cognitive processes as they relate to perceptions. The processes by which perceptions relate to "mental" satisfaction responses can be gleaned from the product purchase decision-sequence framework (Rossiter, 1996).

Consumer purchase behavior for goods is often trivial: the decision stages preceding purchase play a major role in influencing the purchase response. However, for services the purchase stage is crucial because this is where the service begins to be experienced. Continuing with our previous example, the resident who moves to city A, based on her perception that it is the cleanest city, would start experiencing public services such as streets, law enforcement, and retail shopping. These experiences get stored in the resident's memory as knowledge or beliefs about the performance of public services in the community. In line with multi-attribute models of service quality and satisfaction (see for example, Parasuraman, Zeithaml and Berry, 1988; Cronin and Taylor, 1992), we link resident's knowledge about public services with community satisfaction as follows:

Satisfaction with place of residence or community =

$$\sum_{i} \text{Knowledge or Perceptions about Public Services in Community}$$

Note that the *i*'s are the features of the community such as housing and library services. Put simply, it is essential that a community monitors residents' perceptions about public services to enhance resident satisfaction and retention.

Data for Analysis

Measures of public service perceptions were obtained from a sample survey of residents in nonmetropolitan Illinois. The Office of Management and Budget (1999) groups Illinois into 28 metropolitan counties and 74 nonmetropolitan counties (See http://www.whitehouse.gov/omb/inforeg/msa-bull99-04.html.%20In%201999). The target population includes all households in the nonmetropolitan counties. A simple random sampling procedure was employed to select 2,000 households. The mail survey procedure used an alert postcard informing potential respondents that a survey is being conducted and that they will soon be mailed a survey instrument, followed by a first mailing of the questionnaire with a cover note requesting cooperation. Then a reminder postcard was sent followed by mailing a second questionnaire to those who did not complete and return the first.

Table 1 lists the operational definitions of concepts used in the study and examples of measures employed in the research (Carnap, 1946). As Peterson (1981) aptly observed, local governments are unable to manipulate in any significant way such contextual variables as air pollution or scenic beauty. Hence the focus is on changeable variables such as allocational or developmental variables (Nelson, 1999; Peterson, 1981). Allocational indicators include essential, but often economically neutral, services such as police, fire, and sanitation. On the other hand, developmental services aim to improve the economic position of the community. Some examples of developmental variables include education, industrial parks, and roads.

In research on local governments in Alabama, Baker (2003) identified a set of allocational and developmental variables considered essential for quality living. The list included items such as police, cable television, and public transportation. The relevance of these variables for rural Illinois was assessed by an expert panel of academics affiliated with a publicly funded rural research center. While the expert panel retained most of the items highlighted in Baker's study, the panel recommended including the following additional items in the questionnaire: Head Start programs, daycare services, senior centers and services, basic medical care services, mental health services, retail shopping, restaurants, and entertainment (see Appendix 1 for a complete list of the 16 items).

Table 1: Perceptual Measures

Concept	Definition	Examples of Measures
Allocational services[a]	Resident perceptions about community services related to economically neutral areas such as police and fire.	Please show the extent to which you believe that your community provides _____. • Law enforcement • Parks and recreation Measured on a 5-step "Not at All" to "Absolutely" Scale.
Developmental services[a]	Resident perceptions about services aimed at improving the community's economic position.	Please show the extent to which you believe that your community provides _____. • Retail shopping • Entertainment … Measured on a 5-step "Not at All" to "Absolutely" Scale.

[a]See Appendix 1 for a list of measures.

RESULTS

The questionnaire yielded 640 usable responses. A majority of the respondents were female (53%), aged between 35 and 65 years (55%), with a household income not exceeding $50,000 (67%) (see Appendix 1 for a summary description of the respondents and their responses).

We focus on mapping multidimensional data into a space of lower dimensionality. Specifically, we employ **S**, the sample variance-covariance matrix of the 16 variables listed in Appendix 1, to extract the latent roots and the rotation matrix (Stewart, 1981). The latent roots suggest that we could capture 60% of the variability or information in the 16 community service variables using three sets of linear combinations of the original variables (Table 2).

Table 2.
The First Three Latent Roots and the First Three Latent Vectors Extracted from S: The Sample Variance-Covariance Matrix

Latent Root	% Variance	Cumulative %
14.58	39	39
4.51	12	51
3.22	9	60

Table 3 highlights the correlations between the rotated principal axes scores and the original variates. These correlations help us infer what residents perceive as universal community services (Baer, 1985). Briefly, since we process information relevant to our motives (Fennell, 1978), we argue that residents in nonmetropolitan communities have the motive to maintain or enhance their living conditions in the community. This motive makes them to attend to information that is relevant for the motive. For instance, desire for a crime-free neighborhood would make one process happenings related to law and order in the society. Table 3 suggests that the information residents attend to, to achieve the goal of maintaining or enhancing community life, can be classified as services related to:

(i) "preservation of physical and mental life" which includes housing, streets and law enforcement **(Z_1)**;
(ii) "general welfare" services such as day care services and senior center services **(Z_2)**, &
(iii) "entertainment" services including retail shopping (Z_3).

Table 3.
Correlation between X and Z_i

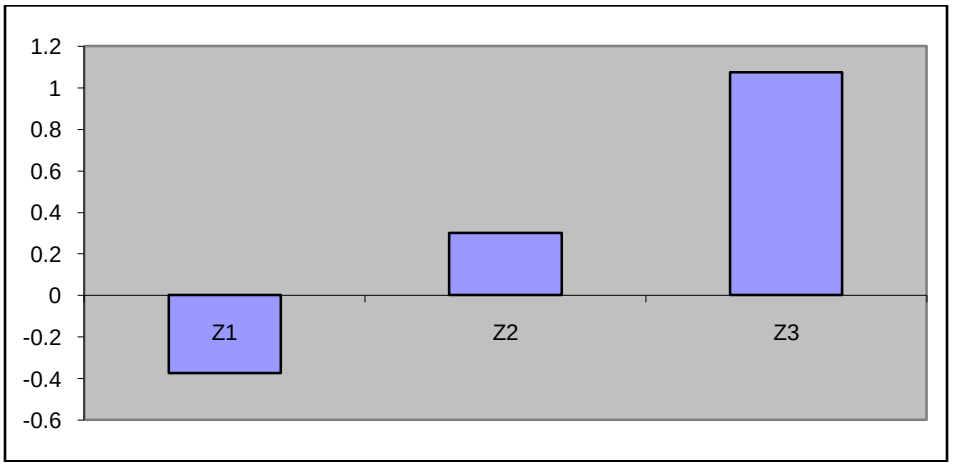
	Preservation of Physical and Mental Life (Z_1)	General Welfare (Z_2)	Entertainment (Z_3)
x_1: Housing	.677		
x_2: Streets	.695		
x_3: Solid waste disposal	.681		
x_4: Law enforcement	.704		
x_5: Parks and recreation	.613		
x_6: Library services	.557		
x_7: Education (K-12)	.617		
x_8: Public transit and transportation		.334	
x_9: Head start programs		.809	
x_{10}: Day care services		.835	
x_{11}: Senior centers and services		.773	
x_{12}: Basic medical care services		.308	
x_{13}: Mental health services		.624	
x_{14}: Retail shopping			.784
x_{15}: Restaurants			.796
x_{16}: Entertainment			.821

Armed with this knowledge of residents' mental structure about community services, we now assess nonmetropolitan counties for their ability to provide the three benefits listed in Table 3[1].

How do nonmetropolitan residents perceive their community services? On average, they are dissatisfied with preservation of life services. While the perception is positive for general welfare services, it lags behind entertainment services (Figure 1).

Figure 1

Overall Perceptions about Community Services



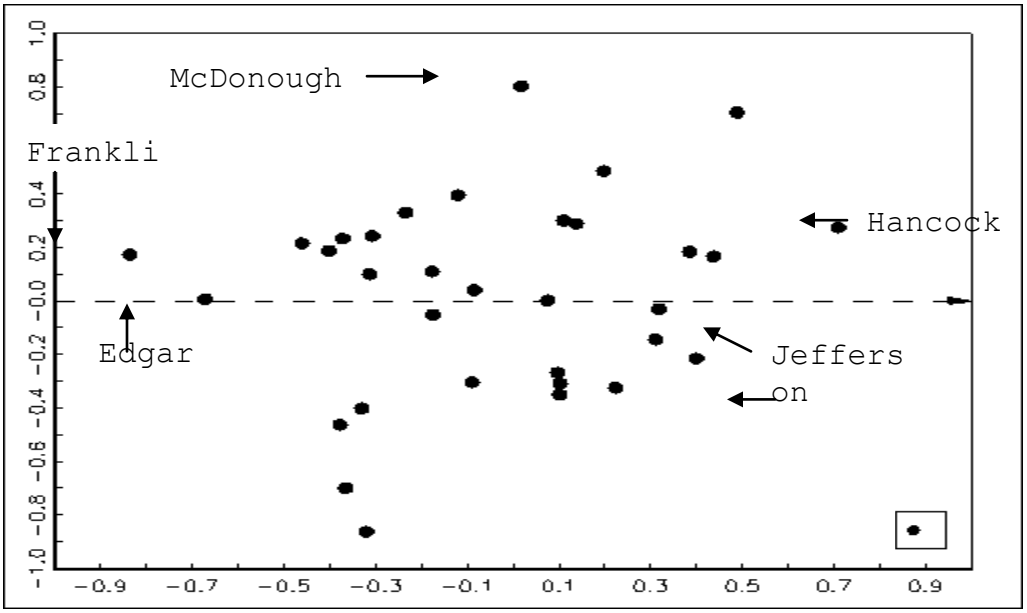
Note: Z_1 = Preservation of Life; Z_2 = General Welfare, and Z_3 = Entertainment.

While average perceptions do summarize the status of services in communities, they do not help policy makers differentiate between differing levels of performances. For instance, in order to market nonmetropolitan Illinois as a place of residence, policy makers should know the type of benefits each community offers.

Consider Figure 2. It highlights the position of 35 counties in the "preservation of life" dimension. In all, 17 counties have negative scores. This suggests that residents in these counties are dissatisfied with the preservation of life services in their communities. The dissatisfaction is most pronounced in Franklin County (-.084). Of the 18 counties with positive scores, Hancock County leads with a satisfaction score of .71 (see Data Table in Figure 2).

[1] Group comparison procedure based on Hotelling's T^2 statistic was utilized to test for differences in perceptual scores among counties. Details of the analyses can be obtained by writing to the first author.

Figure 2.
Z_1: Perceptual Space for the 35 Counties on the "Preservation of Life" Services Dimension



Data Table

Franklin	-.84
Edgar	-.67
Warren	-.4
Randolph	-.38
Richland	-.37
Ford	-.36
Saline	-.33
Clay	-.32
Macoupin	-.31

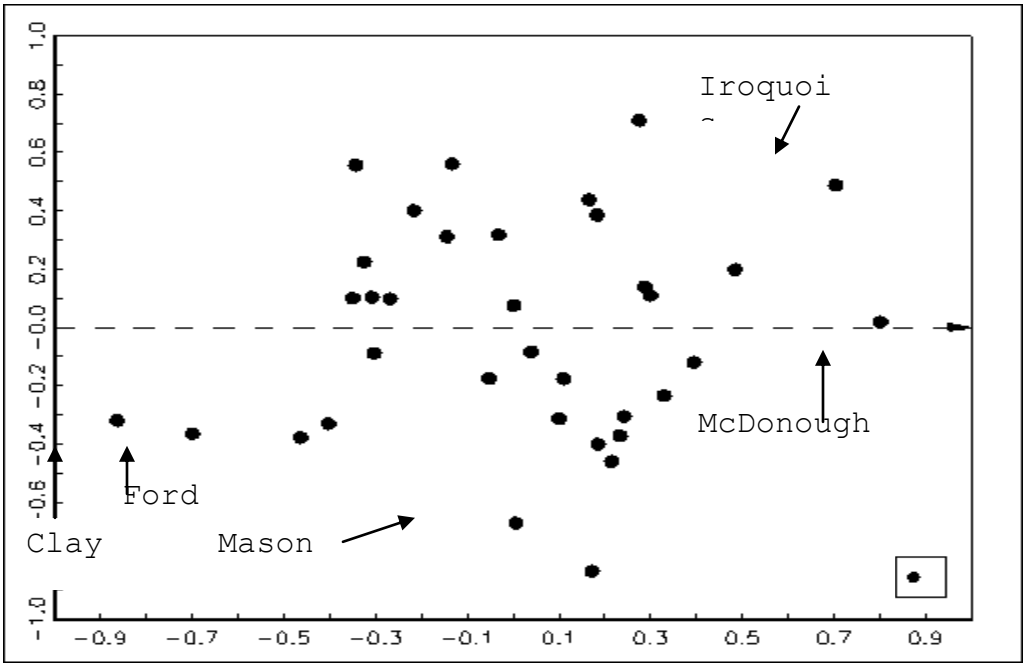
Cumberland	-.3
Morgan	-.23
Bureau	-.18
Douglas	-.18
Coles	-.12
Logan	-.09
Jackson	-.08
Vermilion	-.08
McDonough	.02

Mason	.07
Wayne	.09
Marion	.10
LaSalle	.10
Carroll	.11
Williamson	.14
Stephenson	.20
Fulton	.22
Effingham	.31

Whiteside	.32
Lee	.38
Jo Davies	.4
Knox	.44
Iroquois	.49
Christian	.56
Jefferson	.56
Hancock	.71

Figure 3 reveals that McDonough County has the highest satisfaction rate for general welfare services such as day care and senior services. In contrast, Clay County has the lowest satisfaction rate. In all, 20 of the 35 counties (57%) have positive scores.

Figure 3.
Z_2: Perceptual Scores of the 35 Counties on the "General Welfare" Services Dimension

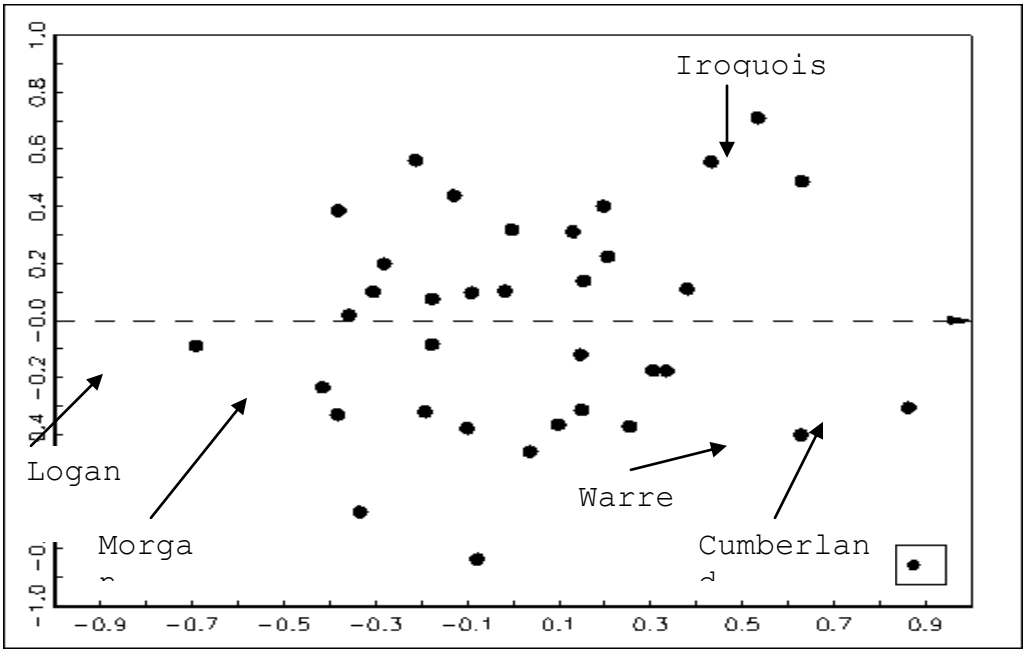


Data Table

Clay	-.86	Wayne	-.27	Macoupin	.1	Hancock	.27
Ford	-.7	Jo Davies	-.21	Bureau	.11	Williamson	.29
Randolph	-.46	Effingham	-.14	Knox	.17	Carroll	.3
Saline	-.4	Jefferson	-.13	Franklin	.17	Morgan	.33
Marion	-.35	Douglas	-.05	Lee	.18	Coles	.39
Christian	-.34	Whiteside	-.03	Warren	.19	Stephenson	.48
Fulton	-.32	Mason	.001	Vermilion	.21	Iroquois	.70
Lasalle	-.31	Edgar	.006	Richland	.23	McDonough	.80
Logan	-.3	Jackson	.04	Cumberland	.24		

In terms of entertainment services, Cumberland has the largest satisfaction rate followed by Iroquois, Warren, and Hancock counties (Figure 4). The opposite is true for Logan, Morgan, and Saline.

Figure 4.
Z_3: Perceptual Scores of the 35 Counties on the "Entertainment" Services Dimension



Data Table

Logan	-.69	Clay	-.19	Vermilion	.04	Douglas	.31
Morgan	-.42	Jackson	-.18	Ford	.10	Bureau	.33
Saline	-.38	Mason	-.18	Effingham	.13	Carroll	.38
Lee	-.38	Knox	-.13	Coles	.15	Christian	.43
McDonough	-.36	Randolph	-.1	Macoupin	.15	Hancock	.53
Edgar	-.33	Wayne	-.09	Williamson	.15	Warren	.63
Marion	-.31	Franklin	-.08	Jo Daviess	.20	Iroquois	.63
Stephenson	-.28	LaSalle	-.02	Fulton	.21	Cumberland	.87
Jefferson	-.21	Whiteside	-.01	Richland	.25		

DISCUSSION

A critical issue facing nonmetropolitan communities is out migration (Baltensperger, 1991; Goudy, 2002). While there could be several reasons for a resident to leave a community, for example, lack of jobs, inadequate medical facilities, etc., behavioral learning theory suggests that we could abstract all such reasons under the category of "negatively originated motives" (Hilgard, 1977).

Negatively originated motives, as the name implies, have a negative origin that would result in behavior to remove the negative condition. For instance, a resident may become dissatisfied with housing conditions in the community. This "disequilibrium" will

motivate the resident to search for answers to her problem which could include looking for a new community. In fact, incomplete satisfaction with any of the community services or benefits could lead residents to search for solutions.

How could local governments help residents "relieve" the negative mental state, if and when they experience it? Our perceptual maps (Figures 2 to 4), and information-response theory in marketing (see for example, Kotler and Keller, 2006) provide the answers. We begin with the schema or "knowledge store" concept.

Schema could be defined as resident's knowledge about benefits offered by a product, in our case, the "community". Underlying these benefits are features of the attributes. Attributes are objective characteristics of community (for example, mental health facility) that are subjectively experienced by residents as benefits (for example, welfare). A normative prescription in marketing communication is that a community should emphasize its best or unique benefits, mention its equal benefits, and trade off or omit its inferior benefits (Rossiter, 1996). The prescription is based on the reasoning that information in environment is processed using knowledge structures (schemas) stored in memory and the content of memory can be influenced by communications (see for example, Bettman, 1979). For instance, a piece of objective information such as day care services in a community may have different meanings to different residents. A particular piece of information such as 'number of day care places in a community' may be interpreted as too high, too low, as denoting "quality living" or lack of it, and so on. The meaning constructed will depend upon information stored in memory; knowledge structures held by the resident. Thus, if the benefit "quality living" is determined by attributes such as number of day care places, medical and mental health facilities in a community, and if the community fairs poorly on the mental-health-facility attribute, then communications from the community should offset or tradeoff the deficit in mental health facilities against other positive features. How could counties implement this recommendation?

Consider the case of McDonough County. It has the best ranking in "general welfare" dimension, an average ranking in the "preservation of life services" dimension, and a negative ranking in the "entertainment" dimension (Figures 2, 3, and 4). Therefore, the County should emphasize, that is, focus at least 2/3 of its communication with the residents (Rossiter, 1996), about the goodness of general welfare services in the County. What should McDonough County do with the "average" and "inferior" benefit perceptions? It should focus on attributes that drive those benefit perceptions. Specifically, attributes in which the County performs well should be highlighted as evidence of good benefits in those deficient areas.

To elaborate, an examination of attributes associated with each of the three benefits (Table 3) reveals that:

(i) Parks and recreation is an essential element of "preservation of life services" benefit perception;

(ii) Day care and head start programs are the most important attributes for the general welfare dimension, and
(iii) Restaurants are important for "entertainment" benefit perception.

McDonough County performs well in parks and recreation facilities when compared to other counties in the West Central region. This differential performance suggests that McDonough County should follow an attribute-to-benefit approach in highlighting its superior parks and recreational facilities. In other words, communications should highlight the following:

> To residents:
>
> McDonough County is a residential haven that offers excellent welfare services and parks and recreation facilities.

This type of communication would facilitate vigilant processing of information about the parks-and-recreation attribute; not the overall "preservation of life" benefit (Lane and Keaveney, 2005). In other words, through marketing communications, McDonough County would highlight its superior "welfare" benefits, and excellent recreational facility. These would become ingrained in the memory of residents. Thus, whenever there is an opportunity for a resident to assess the performance of community services in McDonough County, she would utilize parks and recreational facility as an indicator for preservation of life services benefit in the County.
Our prescriptions are based on the assumption of a "passive" resident-audience. In other words, since residents are experiencing community services such as garbage removal continually, they become habituated or passive recipients of service. In this situation, exposure to marketing communications would impact and rearrange cognitive structures easily (see Smith and Swinyard, 1982; Sujan and Bettman, 1989; Pham and Muthukrishnan, 2002 for evidence in this direction).

Finally, since McDonough County has no competitive advantage in entertainment, it should invest in attracting entertainment businesses to the region. Of course, little or no mention of "entertainment" in marketing communications would help the County reorient residents' schema towards welfare benefits and excellent parks & recreational facilities.

SUMMARY AND CONCLUSION

This paper is built on the premise that individuals attend to stimuli that are relevant for them. Since knowledge in memory determines perceptions, we posit that an understanding of residents' perceptions would help communities to retain existing residents.

A perceptual analysis of community services in 35 rural Illinois counties revealed that residents in rural Illinois possess the following 'internal knowledge structure' or schema

of community services: (i) preservation of life services, (ii) general welfare, and (iii) entertainment.

Managerially, it is now a well known fact that service delivery failures are unavoidable: Services are too complex, variable, and inseparable from the human component to be managed without error. Hence, a "mapping" of the 35 counties on the three benefits enabled us to prescribe strategies for managing residents' incomplete satisfaction with community services.

Of the three strategies that we prescribe: that is, a community should emphasize its best benefits, mention its equal benefits, and trade off or omit its inferior benefits, the approach we recommend for communities experiencing "negative" benefit perceptions is the "attribute" to benefit path. The theory is that by redirecting resident's information processing from the gestalt "benefits" approach to the attribute-based approach, communities can minimize negative assessments.
In conclusion, this paper highlights that to generate community satisfaction and enhance quality of life perceptions, local governments should recognize that <u>what is important is what is perceived, not necessarily what is</u>.

While the perceptual analysis offers insight into community services in rural Illinois, it also possesses limitations. To begin with, the analysis is confined to existing residents. If the interest is in attracting new residents, then the approach has to be extended to potential residents in rural Illinois. In other words, it is recommended that the approach employed in this paper be implemented at various target groups such as the "young", and the "elderly" who are potential residents.

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Appendix 1 Descriptive Statistics

Respondents Characteristics

Gender	%
Male	47
Female	53

Marital Status	%
Married	56
Single (never married)	9
Widowed	17
Divorced or separated	19

Ethnic Group	%
White	97
Black	1
Other	2

Formal Education	%
Less than 9^{th} grade	3
9^{th} to 12^{th} grade	7
High school diploma	29
Some college	25
Associate degree	10
Bachelors degree	16
Graduate degree	10

Household Income	%
Less than $20,000	24
$20,000 to $39,999	31
$40,000 to $59,999	21
$60,000 to $79,999	13
$80,000 to $100,000	6
More than $100,000	5

Responses (Community Service Variables)

	Mean	Std. Dev
x_1: Housing	3.9	1.3
x_2: Streets	3.2	1.3
x_3: Solid waste disposal	4.0	1.4
x_4: Law enforcement	3.7	1.3
x_5: Parks and recreation	4.0	1.3
x_6: Library services	4.3	1.2
x_7: Education (K-12)	4.1	1.5
x_8: Public transit and transportation	4.5	2.3
x_9: Head start programs	4.8	1.7
x_{10}: Day care services	4.7	1.8
x_{11}: Senior centers and services	4.6	1.7
x_{12}: Basic medical care services	3.9	1.6
x_{13}: Mental health services	4.4	1.9
x_{14}: Retail shopping	3.0	1.7
x_{15}: Restaurants	3.2	1.6
x_{16}: Entertainment	3.2	1.8

THE INFLUENCE OF SATISFACTION, QUALITY,

AND VALUE ON FIRM PERFORMANCE

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ABSTRACT

Although there has been a great deal of research on satisfaction, quality, and value, these constructs have not been comprehensively linked to marketing outcomes. In this paper research on satisfaction, quality, and value is reviewed and synthesized and linked to firm performance outcomes. A framework that describes this process is developed that is referred to as the service, quality, value, and performance (SQV-P) model. The reader can gain three primary insights from this review. The reader is given an overview of the recent literature in the field, a model is provided to the extant literature, and future research directions are developed based on this framework.

SATISFACTION, QUALITY, AND VALUE

Satisfaction, quality, and value have conceptual differences and can benefit from theoretical and empirical research to understand their interrelationships (Parasuraman 1997; Ostrom and Iacobucci 1995; Sinha and DeSarbo 1998). Much of the work that has been done in this area has addressed satisfaction and quality (Boulding, Kalra, Staelin, and Zeithaml 1993; Brady and Robertson 2001; Iacobucci, Ostrom, and Grayson 1995; Spreng and Mackoy 1996; Zeithaml, Berry, and Parasuraman 1996), although value has also been brought into this discussion (Cronin, Brady, and Hult 2000; Grewal, Monroe, and Krisnan 1998; McDougall and Levesque 2000; Parasuraman 1997; Sinha and DeSarbo 1998; Spreng, Dixon, and Olshavsky 1993; Varki and Colgate 2001; Woodruff 1997). While the distinctions between satisfaction, quality, and value have unresolved issues (Parasuraman 1997; Spreng and Mackoy 1996), these similar constructs have conceptual differences can benefit from theoretical and empirical research to understand their interrelationships (Parasuraman 1997; Ostrom and Iacobucci 1995; Sinha and DeSarbo 1998; Spreng and Mackoy 1996; Woodruff 1997). The antecedents and consequences of satisfaction, value, and quality are now discussed in the context of the SQV-P framework.

The SQV-P Model, seen in Figure 1, is presented in two phases. The first phase represents the elements that occur at the *consumer* level. The second phase of the model represents the outcomes that occur at the *firm* level. In the model, linkages that may not occur in the majority of situations are indicated by a dotted, rather than a solid, line.
The first phase is centered on the development of satisfaction, quality, and value assessments by the consumer. The second phase is centered on the performance outcomes of the firm that ultimately lead to the creation of firm value. There are three

types of models that are used to model the management of services, these are customer behavior models that explain how customers react to service, service quality impact models that address the business consequences of service quality, and normative service models that prescribe how organizations should organize and manage their service (Rust and Metters 1996). In the SQV-P framework, Phase 1 represents a *customer behavior* model that ends with behavioral intention outcomes. Phase 2 of the framework represents a *quality impact* model that ends with direct measures of firm performance. Implicitly, the model also contains a *normative* element in that the structure of the model leads to how organizations should manage this process.

The disconfirmation process is one of the earliest contributions to the satisfaction literature (Bearden and Teel 1983; Oliver 1980, 1989, 1993; Oliver and Bearden 1985; Swan and Trawick 1981). Expectations and performance combine to form an objective disconfirmation level, which provides the basis for a subjective interpretation of the expectation-performance difference; and subjective disconfirmation is directly linked to satisfaction (Oliver 1997, p. 121). The disconfirmation process has a different impact on satisfaction, quality, and value. Satisfaction requires disconfirmation while quality does not require an actual purchase experience (Oliver 1997, p. 177). A product or service that is perceived as being very high in quality by consumers may be based on reputation alone rather than the consumer's direct experience. Although it is not a necessary precondition, quality may also go through the disconfirmation process (Oliver 1993).

In order for the consumer to evaluate an outcome, an initial standard must be developed that is used to measure the actual product or service outcome. By using terms such as desires and expectations the field of possible influencers is limited, even if just by name only. Different types of standards may yield different levels against which perceived experience is compared (Woodruff, Clemons, Schumann, Gardial, and Burns 1991). Spreng, MacKenzie, and Olshavsky (1996) incorporated additional standards to the disconfirmation process by adding desires as a standard in addition to expectations. Their work also includes attribute satisfaction and information satisfaction as outcomes of desires and expectations congruency. Several other standards have been proposed in the literature. These standards include expectations, equity, experience-based norms, desires/values, ideal, and promises (Woodruff et al. 1991). The model presented in this paper incorporates multiple standards to the disconfirmation process including desires, expectations, equity, information, values, norms, ideals, promises, goals and beliefs.

In both the development of satisfaction and quality judgments, attributes are subjectively evaluated by the consumer based on the combination of standards they observe when assessing product performance (Spreng et al. 1996). Likewise, the perceived values of different alternatives are evaluated relative to a multi-attribute reference point. The reference point includes intrinsic and extrinsic product attributes and heavily weighs the tradeoff between perceived benefits and sacrifice (Sinha and DeSarbo 1998). While judgments of satisfaction, quality, and value may take similar attributes into consideration, the attributes vary in importance depending on which variable is being evaluated (Iacobucci et al. 1995; Ostrom and Iacobucci 1995). These evaluations come

together to form consumer judgments, and this results in standards convergence. The standards convergence process occurs by both standards and the attributes associated with them.

In some cases, the consumer does not weigh the actual outcome against a standard; rather the standard sets the perception of the product and the actual outcome is modified or ignored entirely (Erevelles and Leavitt 1992; Monga and Houston 2006). In other cases performance may influence satisfaction directly and expectations are disregarded (Szymanski and Henard 2001). This direct link between expectations and satisfaction represents an assimilation effect (Yi 1990). In the case of a product with an excellent reputation, the consumer may expect it to be such an outstanding product that they tend to ignore performance outcomes and the resulting disconfirmation that would indicate otherwise. With assimilation effects, the consumer may have committed to believing that a certain performance level will occur. Expectations may also impact satisfaction directly as an assimilation agent without assessing performance (Oliver 1997, p. 91). Under certain conditions, it may not be necessary to include disconfirmation as an intervening variable affecting satisfaction (Churchill and Surprenant 1982; Erevelles and Leavitt 1992). Performance can also directly affect satisfaction (Churchill and Suprenant 1982; Szymanski and Henard 2001). Due to the assimilation effect, standards may impact satisfaction, quality and value directly without an outcome/convergence process being necessary. Due to an expectation effect, standards may impact quality directly and bypass the convergence process. Similarly, expectations can have a reverse impact on the influence of standards. Consumers may adapt expectations following observations of quality in product purchase scenarios (Kopalle and Lehmann, 1995).

PERFORMANCE OUTCOMES

The cumulative levels of satisfaction, quality, and value influence the consumer's loyalty to the product or service (Cronin et al. 2000; Mattila 2001; McDougal and Levesque 2000). Loyalty, in turn, will influence behavioral intentions that will then lead into the second, firm level phase of the SQV-P framework. Loyalty results in two types of behavioral intentions: economic and social (Smith, Bolton, and Wagner 1999). Economic behavioral intentions impact the firm in three ways; volume, cost, and price impacts. Social behavioral intentions result in word-of mouth, referrals and complaints. Economic behavioral outcomes are customer behaviors that impact the financial aspects of the firm such as repeat purchase behavior (Anderson and Mittal 2000), willingness to pay more, and switching behavior (Zeithaml, Berry, and Parasuraman 1996). Social behavioral intentions are customer behaviors that impact the responses of other existing and potential customers of the firm such as complaint behaviors (Johnston 1998; Nyer 1999; Tax, Brown, and Chandrashekaran 1998) and word-of-mouth communication (Szymanski and Henard 2001; Wright, Perkins, Alston, Heitzig, Meyer-Smith, and Palmer 1996). Social behavioral intentions, both positive and negative, impact the individual customer and influence the opinions of other customers as well.

In Phase Two of the SQV-P framework, individual behaviors become aggregate influencers of firm performance. Economic behavioral intentions of individual

consumers result in volume and price impacts on the firm. Social behavioral intentions have a more indirect effect that impacts the reputation of the firm through individual consumer word-of-mouth activities (Woodruff 1993). Volume and price outcomes of the consumer's willingness to buy more and/or pay more affect the firm in numerous ways. By changing the firm's margin, it impacts the firm's volume and cost of goods sold. This in combination with changing the firm's product and process investment level changes the firm's return on investment. The change in return on investment, in combination with the reputation effects of word-of-mouth, ultimately impacts the value of the firm. Volume and price impacts result in an increase in sales and margins as people are willing to pay premium prices, which, in turn, impact profitability (Anderson and Mittal 2000; Zeithaml 2000). High quality allows firms to charge higher premiums, thereby reaping greater margins (Buzzell and Gale 1987). Word-of-mouth, referrals, and complaints by customers influence the opinions of other current and potential customers as well as the overall public's perception of the firm (Woodruff 1993; Zeithaml, Berry, Parasuraman 1996).

SUMMARY AND CONCLUSIONS

The goal of this paper has been to assist researchers and managers who are interested in understanding the overall process of satisfaction, quality, and value by providing a framework that contains these elements and the relationships between them. An important component of this effort has been to link these areas to the performance and value of the firm. This paper has developed a framework that outlines the general linkages between the antecedents and consequences that link satisfaction, quality, and value processes to marketing performance outcomes that can contribute to both the conceptual understanding of these marketing processes and outcomes as well as their management in order to improve firm performance. The research that examines satisfaction, quality, and value is extensive; therefore a review and synthesis such as that presented here can only attempt to cover the most relevant and significant components of the area as part of depicting the total process involved. Nonetheless, the model developed in the paper represents an overall framework and perspective that can hopefully provide understanding and guide additional research in the field.

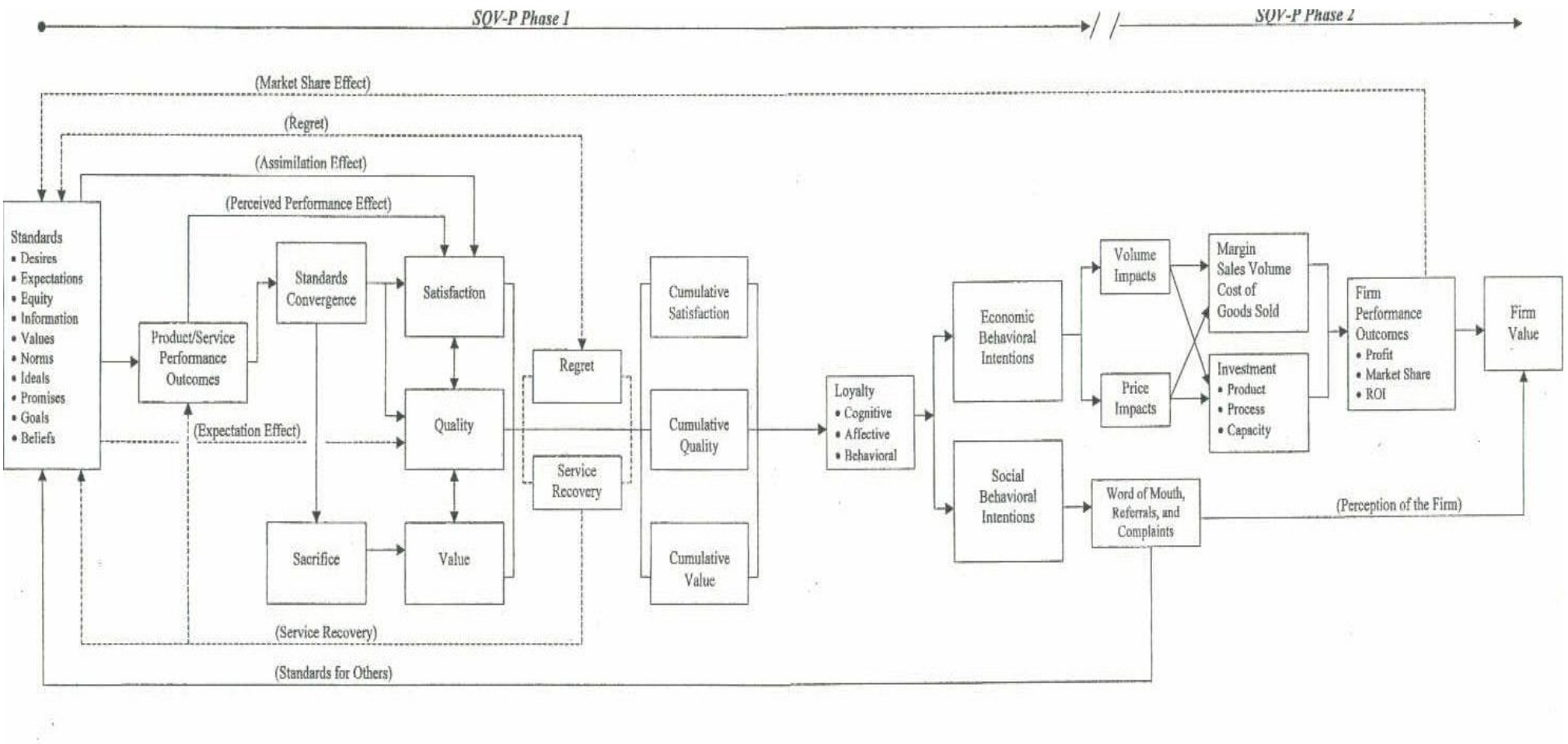

Figure 1. The SQV-P Framework

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NEGATIVE WORD OF MOUTH (NWOM) AND REDRESS STRATEGIES:

AN EXPLORATORY COMPARISON OF FRENCH AND AMERICAN MANAGERS

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ABSTRACT

This research studied the strategies used by managers to cope with negative word of mouth. We investigated seven different coping strategies across French and North American managers. The results revealed that managers evaluate as the most efficient strategy for coping with negative word of mouth that of increasing trust in the negatively discussed product, service, or company. The results also suggest that doing nothing is perceived as less efficient than increasing trust or denying negative word of mouth. We found a high degree of similarity in the perceptions of the effectiveness of negative word of mouth redress strategies across the two managerial cultures.

INTRODUCTION

It has long been acknowledged that word of mouth (WOM) is an important marketplace phenomenon. Broadly defined as informal communication among consumers that may potentially enhance or damage a company's reputation or offerings, WOM has been intensively studied in the marketing literature in recent years (East, Vanhuele, and Wright, in press; Richins, 1984; Wangenheim, and Bayón, 2004; Westbrook, 1987). To date, investigators have mostly studied the antecedents of WOM, such as customer satisfaction/dissatisfaction (e.g., Anderson, 1998; East, Hammond, and Wright, 2007; Godes and Mayzlin, 2004; Mangold, Miller, and Brockway, 1999; Oliver, 1980; 1981; Westbrook, 1987) and factors that encourage individuals to engage in WOM (e.g., Sundaram, Mitra, and Webster, 1998; Tax, Chandrashekaran and Christianser, 1993). Others have investigated the consequences of WOM, for example, on brand choice and market share (e.g., Arndt, 1967; Chevalier and Mayzlin, 2003; Herr, Kardes, and Kim, 1991; Mittal, Ross, and Baldasare, 1998). It has been shown that negative WOM (NWOM) tends to decrease purchase probability and thus can be financially damaging for a firm, in addition to undermining the reputation of product or service offerings. Therefore, it is in the best interest of companies to take steps to prevent NWOM, as well as to adopt counter strategies to cope with customers' NWOM. However, it is still not clear how managers should deal with NWOM, and redress strategies are still largely under-used and under-researched, in spite of the considerable impact customers' negative comments may have (Chevalier and Mayzlin, 2003; Kimmel, 2004).

Our research was intended as a starting point for filling these knowledge gaps through an attempt to identify and assess the effects of the redress strategies used by brand managers to counter NWOM. Utilizing a variation of the critical incidents technique (Fivars, 1980; Flanagan, 1954), we surveyed North American and French managers of consumer goods companies in order to gauge their perceptions of the effectiveness of various potential redress strategies for specific instances of NWOM that previously had reached their ear. A comparison of the effectiveness of strategies used across these two national samples has several advantages. It point to differences across two corporate cultures characterized by different managerial styles. Further, it makes it possible to assess indirectly the effects of market globalization on managers' response to external threats. Overall, our research objective was two-fold: To explore the managerial strategies used to cope with consumer NWOM in North American and European contexts, and to examine the effectiveness of the redress strategies.

LITERATURE REVIEW

WOM Defined

WOM has been defined in various ways in the marketing literature (e.g., Dichter, 1966; Fornell and Bookstein, 1982). Richins (1984) defined the term as interpersonal communication among consumers concerning a marketing organization or product. Westbrook (1987) viewed WOM as a post-purchase phenomenon consisting of informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services and/or their sellers. Similarly, Sundaram, Mitra and Webster (1998) defined WOM as a form of interpersonal communication among consumers concerning their personal experiences with a firm or a product. It is noteworthy that these definitions make no statement about the veracity of the transmitted information, which makes these conceptualizations of WOM similar to that of rumors. Broadly speaking, rumor has been viewed as a story or statement in general circulation without confirmation or certainty as to the facts (Allport and Postman, 1947; Knapp, 1944). According to the American Psychological Association's Encyclopedia of Psychology, a rumor is "an unverified proposition for belief that bears topical relevance for persons actively involved in its dissemination" (Rosnow and Kimmel, 2000, p. 122). In our view, WOM differs from rumor in terms of its evidential basis—WOM is assumed to be founded on evidence, whereas the veracity of rumor is unknown at the time of its spread Therefore, WOM is less uncertain than rumors which depend on uncertainty (Rosnow, 1991). WOM is perceived as having a more reliable, credible and trustworthy source of information than rumors. As Charlett and Garland (1995) posited that the content of WOM typically involves comments about product performance, service quality, and trustworthiness passed from one person to another. Those persons who convey WOM have had a personal experience with products or services from a particular organization and tend to be regarded as fairly objective sources of information by receivers. More broadly, East (2002) considers WOM as an advice that is offered by one consumer to another. In contrast, rumors have both credible and non credible aspects (XXXX, 2004). Others consider WOM as one form of consumer response to consumer satisfaction or dissatisfaction (e.g., Lau and Ng, 2001). Along these lines, it has been shown that when consumers are satisfied with a product or service, they will engage in positive WOM (PWOM) (Oliver, 1981; Westbrook, 1987; Anderson, 1998). Other studies have revealed that dissatisfaction with a product or a service entails NWOM (Westbrook, 1987; Anderson, 1998).

In other cases, WOM occurs independently of satisfaction or dissatisfaction (East, Vanhuele, and Wright, in press).

As mentioned, WOM may be positive, negative, or neutral (Anderson, 1998). Richins (1983) defined NWOM as interpersonal communication among consumers concerning a marketing organization or product which denigrates the object of the communication. According to Anderson (1998), PWOM includes recommendations to others, conspicuous display, and interpersonal discussions relating pleasant, vivid, or novel experiences, whereas NWOM has to do with product denigration, unpleasant experiences, and private complaining. Many scholars have underlined the damage that NWOM can entail for retailers and manufacturers (Charlett and Garland, 1995; Tenglan and Ng, 2001; De Carlo, Laczniak, Motley and Ramaswami, 2007).

Consistent with these conceptualisations of WOM, we view WOM as comprising any informal interpersonal communications between consumers, the content of which often concerns positive or negative evaluations of a product, service or company.

The Effects of NWOM

The respective impacts of negative and positive WOM have been intensively discussed in the marketing literature. An initial stream of research focused on the assumption that WOM is determined by consumer satisfaction, with consumer satisfaction leading to PWOM and consumer dissatisfaction leading to NWOM (Diener and Greyser, 1978; Richins, 1983). A second stream of research has focused on the incidence and effects of negative versus positive WOM (Chevalier and Mayzlin, 2003; Godes and Mayzlin, 2004), with studies revealing that NWOM has a stronger impact on market share than PWOM. Whether dissatisfaction or unfavorable attitudes lead consumers to engage in more or less WOM than satisfaction or favorable attitudes has been intensively debated and the research literature is somewhat conflicting. Holmes and Lett (1977), for example, reported that customers with favorable brand attitudes talked significantly more to others than those with unfavorable attitudes about the brand. More recently, Anderson (1998) found that dissatisfied customers do engage in more WOM than satisfied ones, but that the common suppositions concerning the size of this difference appears to be exaggerated. Godes and Mayzlin (2004) and Chevalier and Mayzlin (2003) found a preponderance of positive appraisals as opposed to negative ones, respectively, for online evaluations of TV programs and books. In their recent analysis of the ratio of PWOM to NWOM in 15 separate studies involving a range of product and service categories, East, Hammond, and Wright (2007) found an average ratio of 3:1, with consumers more likely to transmit PWOM in every case. However, they also found that NWOM was related to market share in three out of five categories studied (for computers, leather goods, and mobile phone handsets, but not for mobile phone airtime and cameras), consistent with Charlett and Garland's (1995) contention that NWOM—whatever its frequency—can be particularly insidious for firms.

Although PWOM can be an effective form of marketing promotion for company offerings, it is also the case that NWOM may strongly endanger companies' products and services (De Carlo et. al., 2007; Arndt, 1969; Theng, Lau and Ng, 2001; Chevalier and Mayzlin, 2003). With the proliferation of brands and the growing convergence in their quality, NWOM represents a fundamental means by which consumers can rule out brands in their product choices or influence

the choices of others. For example, in their study of online book reviews, Chevalier and Mayzlin (2003) found that although the reviews tended to be overwhelmingly favorable at two popular sites, the impact of negative reviews far outweighed the impact of positive reviews on relative sales. Arndt (1967) finds that NWOM can accelerate or retard the acceptance of new products. More precisely, Arndt's research underlines that NWOM may retard sales of a food product more than twice as strongly as PWOM may promote sales of that product. De Carlo et al. (2007) also argue that NWOM as compared to PWOM has a stronger effect on consumers. Their research outlines that NWOM may lower customers' attitudes toward stores. Nonetheless, in spite of the seriousness and potential effects of NWOM, little is known about how managers typically respond when they learn of an increase in its spread, and to what extent selected coping strategies effectively offset the damaging effects of NWOM.

Coping Strategies

As mentioned, little attention has been devoted to investigating the effectiveness of strategies to cope with or prevent NWOM, in spite of the considerable impact NWOM may have on companies' products, services and even on companies themselves. The present research aims at exploring the coping and prevention strategies managers use when they become aware of NWOM. Consistent with common definitions of "coping strategies" (Lazarus and Launier, 1978; Lazarus, Averill and Opton, 1974) we defined WOM coping strategies as involving the problem-solving efforts managers take to master, tolerate, or minimize WOM considered as threatening for the product, service, markets, or the company itself. Specifically, we explored North American and French managers' perceptions of WOM coping strategies utilized by their firms.

We chose to compare French and North American managerial strategies because of their varying managerial styles. Overall, American managers are understood to be more interventionist and customer-oriented than French managers. Baudry (2002) also suggested that American managers use more formalized approaches than French managers, the latter of whom are likely to be more flexible. We thus expected to find differences across these two samples in terms of WOM redress strategies utilized and the effectiveness of these strategies in countering the adverse effects of NWOM.

METHODOLOGY

Participants

A total of 119 French and American marketing professionals from various consumer goods sectors responded to a questionnaire pertaining to WOM. The purposive sample of 66 French and 53 American product or brand managers and communication specialists was obtained from business school alumni directories, continuing education classes, and professional marketing association directories. The participants were employed by a representative range of consumer goods companies, including food/beverage, apparel, electronics, cosmetics/beauty/hygiene, pharmaceuticals, and health care in both countries. All respondents were assured that their anonymity would be protected and that their questionnaire responses would remain confidential.

Procedure

The English version of the questionnaire was translated into French for administration to French respondents, and was assessed for discrepancies through a form of back translation. To identify instances of WOM, a variation of the critical incidents technique (Flanagan, 1954) was utilized, in order to gain insight into the nature of WOM that reaches the ear of managers and the perceived effects of the WOM. We asked respondents to describe some situations in which they encountered either positive or negative WOM. Respondents first were asked to indicate how frequently, on average, they became aware of WOM. They then rated seven strategies according to whether they were used by the company to prevent and/or neutralize the negative effects of WOM. Specifically, we listed seven strategies (see Table 1) which might be used to prevent or counter customers' negative WOM. These strategies were derived from the authors' ongoing research on rumor control strategies (Kimmel and Audrain, 2002). The first strategy, which may be seen as an absence of response, is that of ignoring customer WOM and choosing to do nothing. This passive strategy may well typify the reaction of many firms, since many of them ignore or fail to take seriously customer WOM (Charlett and Garland, 1995). The second and third strategies may be defined as active ones, consisting of denying the content of customers' NWOM, either by a company official (strategy two) or by a trusted outside source (strategy three). Another coping strategy consists of spreading counter information, so as to deliver a message consistent with the company's expectations or interests. The fifth strategy aims at increasing customers' trust relative to the object of WOM (the company, the product, or the service). The sixth strategy consists of establishing a hotline to provide customers with information or to respond to their questions related to the content of the NWOM. This approach provides the opportunity for customers to get directly in touch with the company and to interact with company officials. The seventh strategy we identified consists of setting up an interactive Web site in order to facilitate communications between the suppliers and potential or former customers. Respondents rated the effectiveness of these strategies on four-point Likert scales (1=not effective at all to 4=high average effectiveness).

Table 1 here

RESULTS

Effectiveness of NWOM Redress Strategies

Table 2 summarizes the results regarding the strategies used to cope with or prevent NWOM for the two samples. According to the French and North American managers studied, the most successful strategy to cope with NWOM involves efforts to increase trust in the product, service, or company that serves as the focus of NWOM content (average effectiveness = 3.68). This strategy is here viewed as more efficient as denying NWOM ($t = 4.79$; sig. $< .05$) Trust has been shown to be a key construct in the marketing literature, especially with respect to relationship marketing (e.g., Morgan and Hunt, 1994). Defined as a generalized expectancy held by an

individual that the word of another can be relied on (Rotter, 1967), trust also expresses someone's willingness to rely on an exchange partner in whom one has confidence (Moorman, Deshpande and Zaltman, 1993). According to Morgan and Hunt (1994), trust leads to cooperative behaviors. Thus, it appears that enhancing trust in the company or its offerings when faced with the spread of NWOM should increase cooperative behaviors among the participants in the marketing exchange and help to reinforce the customer/firm relationship.

The second most efficient strategy identified by the managers is that of denying NWOM content, either by a company official or an outside source (average effectiveness = 3.24, see Table 2). Although denials might appear quite difficult to effectively implement, because consumers likely expect companies to deny negative comments that reflect poorly on the firm or brand image, this NWOM redress strategy apparently proves more useful according to managers than the decision to do nothing (t=1,75 ; sig. < .05). Indeed, the strategy of ignoring NWOM was perceived as lower in effectiveness by the respondents (average effectiveness = 3.06).

Table 2 here

The data also surprisingly indicate that establishing a Web site is comparable to the do nothing strategy, i.e., ignore the NWOM (p=0.105). Yet the data also show that the redress strategies of establishing a hotline (average effectiveness = 2.86) or is less efficient in countering NWOM than ignoring the NWOM. Yet, our findings also highlights that consumers rarely utilize a company's official channels for information following the reception of rumors about the firm (We nonetheless expect that in the future, company Web sites will play an increasing role in building buyer-customer relationships and therefore will have a key role to play in the strategies aimed at preventing or coping with customer NWOM. Finally, the respondents perceived attempts to spread counter information to NWOM as the least efficient redress (average effectiveness = 2.58). This stands to reason, given the informal nature of WOM and the difficulties in establishing credibility for information that runs counter to the prevailing marketing buzz.

Effectiveness of the Strategies used to Cope with Negative WOM across the French and American Samples

Overall, our results revealed a high degree of similarity among the French and North American managers in their perceptions of the effectiveness of the NWOM redress strategies (see Table 3). Out of seven possible redress strategies, we obtained a significant difference between the two samples only for the decision to ignore NWOM. Specifically, the North American managers (m =3.26) rated this strategy as significantly more efficient than did the French managers (m =2.89) (t = 2.745; p < .05). This finding is somewhat surprising given previous indications that American managers tend to be more interventionist than French managers when faced with

various threats to the firm. French managers are presumed to be characterized by a less explicit approach to management and a weaker sense of contractual obligations, and tend to show a more flexible attitude in contexts of rapid change (Baudry, 2002). However, French managerial methods have also been described as being highly developed for controlling risk and avoiding uncertainty, whereas American managers tend to score low on uncertainty avoidance measures (Hofstede, 1983; Reihlen, 2004). Further, in a cross-cultural assessment of leadership styles within the US and France, Peters and Kabacoff (2003) found that French managers characterized themselves as more "hands-on" than their American counterparts, and were more oriented towards proactively soliciting and acting on the ideas and input of specialists. In light of these differences, one might intuitively expect a greater flexibility in the tactics used by French managers to respond to NWOM, and American managers relying more on a formalized pre-determined strategies for negative WOM control (including the strategy of ignoring NWOM).

Across both samples, efforts to increase trust and deny NWOM emerged as the redress strategies perceived as most efficient in dealing with NWOM. The high degree of similarity among the French and North American managers' perception of the effectiveness of redress strategies may be attributed to steadily increasing globalization of consumer goods markets and the confluence of managerial practices across countries.

Table 3 here

DISCUSSION

This exploratory research makes several contributions to our understanding of managerial reactions to NWOM. It first underlines that strategies to prevent or cope with NWOM are viewed by consumer goods managers as useful in coping with NWOM threats. All seven redress strategies studied were rated on average as medium to high in effectiveness. The research also revealed that managers believe that it is better to do something to prevent or cope with potentially damaging WOM than to do nothing in the hope that it will eventually disappear over time. As opposed to the "do nothing" approach, the managers viewed two redress strategies as significantly more efficient in countering NWOM: (1) increase trust in the company, product, or service that serves as the target of NWOM and (2) deny NWOM by a company official or an outside source.

The research also revealed a high degree of similarity in redress strategies utilized by managers within two different cultural contexts. In fact, with the exception of the "ignore NWOM" approach, all of the redress strategies were perceived similarly in terms of their effectiveness across the French and North American samples. Overall, as an initial attempt to investigate the strategies aiming at coping with NWOM, this research provides a starting point in shedding light on managerial coping strategies in light of the growing threats posed by consumer NWOM. The findings also suggest that, in spite of the similarities between rumors and WOM, the redress strategies to cope with NWOM are different from strategies to cope with rumors. Indeed, it is

often advocated that the most obvious means of fighting a rumor is to strongly deny it (XXX, 2004). Yet, our analysis reveals that increasing trust is viewed as more efficient to cope with NWOM. Additionally, the strategy used to redress a rumor should depend on whether the rumor is false or based at least in part on truth (XXX,2004), which does not make sense for NWOM.

LIMITATIONS AND FUTURE RESEARCH

As an exploratory investigation, the present research has several limitations. One limitation pertains to the fact that only seven NWOM redress strategies were evaluated. In light of emerging communication technologies, it would be interesting to monitor new approaches by which managers can leverage the WOM being transmitted by current and potential customers. It also is important to bear in mind that the implications of our results for marketing practitioners are tempered by certain limitations inherent in the methodology. Our data were derived from a critical incidents procedure dependent on participants' free recall of the effectiveness of the evaluated redress strategies. A self-serving bias cannot be ruled out in the reported effectiveness of strategies highlighted by managerial respondents.

Future research could benefit from a focus on the mechanisms that account for the perceived efficacy of the various redress strategies highlighted in the present study and the means by which they operate to reduce the threats stemming from the spread of NWOM. It also would be interesting to enlarge the focus to other countries and managerial cultures, so as to assess the efficiency of these strategies in other settings. More work is also needed to compare the redress strategies to cope with NWOM versus the strategies used to cope with rumors.

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Table 1
Seven coping strategies used to cope with or prevent negative WOM

Coping strategy	Illustration
1. Ignore the NWOM	Non-reaction to WOM in circulation
2. Deny the NWOM by company official	The company president denies the WOM content in a full-page newspaper ad
3. Deny the NWOM by trusted outside source	The cooperation of a respected community leader is enlisted to deny the content of WOM in circulation
4. Spread counter information to NWOM	Customers are provided directly (by mail) or in a company blog with information that disproves or otherwise counters the NWOM content
5. Attempt to increase trust in the company/product/ service	The company communicates its return policies and guarantees for dissatisfied customers
6. Establish a hotline to provide customers with information related to the topic of the NWOM	A 24/7 telephone hotline is created in order to respond to customers' questions and concerns
7. Establish an interactive Web site	An online corporate blog, forum, or message board is set up in order to take questions and respond to customer complaints

Table 2
Perceived effectiveness of NWOM redress strategies

1.	Attempt to increase trust in the company/ product/service	3.68
2.	Deny the NWOM by company official	3.24
3.	Deny the NWOM by trusted outside source	3.24
4.	Ignore the NWOM	3.06
5.	Establish an interactive Web site	2.97
6.	Establish a hotline to provide customers with information related to the topic of the negative word-of-mouth	2.86
7.	Spread counter information to NWOM	2.58

Table 3.
Perceived effectiveness of NWOM redress strategies
for French and North American managers

	US	French	t	Sig.
Attempt to increase trust in the company/ product/ service	3.77 (1)	3.61 (1)	1.108	0.270
Deny the NWOM by company official	3.38 (2)	3.12 (3)	1.664	0.099
Deny the NWOM by trusted outside source	3.34 (3)	3.15 (2)	1.215	0.227
Ignore the NWOM	3.26 (4)	2.89 (6)	2.745	0.007
Spread counter information to NWOM	2.55 (5)	2.61 (7)	0.458	0.648
Establish a hotline to provide customers with information related to the topic of the NWOM	2.75 (6)	2.94 (5)	0.246	0.806
Establish an interactive Web site	2.94 (7)	2.98 (4)	1.464	0.146

TEACH THEM TO SMILE!

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ABSTRACT

An outgrowth of research on the effect of server attitude on customer repurchase intent was the significant effect that smiling has on both the customer's satisfaction with the total experience and on repurchase intent of both ethnic and gender responses. Conclusions suggest that restaurants concentrate on the place that server body language has in re-purchase intent and lifetime customer value.

INTRODUCTION

The difficulty of differentiating increasingly crowded services and products has elicited much psychological research on variables, including body language, tone of voice and posture that occur during the sales process. The current marketplace consists of many maturing businesses, where differentiating the product is extremely difficult. This is where service becomes the method of differentiation, as Nordstrom, Southwest Airlines and Amazon.com have proven. According to Shaw (1990, p.7) "service is one of few ways to create product differentiation". But, the sheer variability in the behavior of human beings presents obstacles to the establishment of product superiority for many service organizations. Given that services make up more than 70% of employment in the US, improving productivity continues to be a challenge. Even the best seller, Blink (Gladwell, 2005), makes points about the power of good treatment to obtain customer loyalty and even to avoid lawsuits.

The late Theodore Levitt, most famous for "Marketing Myopia" (HBR, 1960), believed that anything could be differentiated for the customer. In his words "There is no such thing as a commodity. All goods and services are differentiable. On the commodities exchanges, dealers in metals, grains, and pork bellies trade in totally undifferentiated generic products. But what they "sell" is the claimed distinction of their execution…their responsiveness to inquiries, the clarity and speed of their confirmation, and the like. In short, the offered product is differentiated, though the generic product is identical" (1980, p.83). The attitude of the salesperson at the time and in follow-up of these commodity transactions may have an effect on the customer's intention to return.

The original study being discussed here was undertaken to investigate the importance to the $426 billion restaurant industry of paying close attention to the attitudes of everyone who comes in contact with customers, however briefly. Re-purchase intention has a direct effect on future sales and profits; thus, consumer response in terms of repeat business warrants attention. The diversity of restaurant patrons deserves attention if that diversity causes a difference in customer responses or expectations.

Each instance of communication between a server and a customer is a chance to solidify the relationship or to destroy it. This "moment of truth" (Zeithamel and Bitner, 2003, p.86) becomes

an important factor in the total customer experience and in re-purchase intent. As it costs more to gain a new customer than it does to keep a current one (Armstrong and Kotler, 2004; Petrini, C., ed. 1989), the cost of a service provider's negative attitude takes on greater proportions. The training programs of chain and independent restaurants, from fast-food drive- through to fine dining, should (and many do) include not only explaining to employees the impact of attitude, but also training them to turn a negative customer experience into a positive one with a positive response to the customer. For instance, not "I can't do that" but "Here is what I can do to meet your request". As more of the large chains are moving into smaller towns (Gray, 2004), the "attitude" variable takes into consideration the different types of customers who frequent, say, an Applebees in Los Angeles as opposed to one in Hays, Kansas. From the perspective of this follow-up research, though, a smile translates everywhere!

Training in handling customers necessitates focus and emphasis on the "moment of truth", which every service provider faces with every customer. There is no second chance to correct or change the moment the service provider makes eye contact or ear contact with the customer. Therefore, training, just as in parachute jumping, must emphasize making a good attitude a habit, not something the server must remember consciously. This research found out just how important smiling turns out to be not only in re-purchase intent, but in those who will not go back.

The previous research sought to confirm that people of different demographic profiles (age, gender, and ethnicity) differ in their re-purchase intent in response to a good or poor attitude on the part of the server. Findings showed that a good attitude on the part of the server is more important (sig. <.05) to Asian customers than to Caucasian customers, to women than to men, and to those over 32 years of age.

One interesting fact from the research bears highlighting: Smiling on the part of the server was both statistically significant in repurchase intent and also in open ended questions about why the patron either does or does not return to a specific restaurant. Table 1 represents the importance of smiling to differing ethnic groups.

Table 1

Importance of smiling (1-5, 1= most important)

Importance of smiling	**Asian N=59**	**African American N=15**	**Caucasian N=84`**	**Hispanic N=36**
Very important	71%	40%	58%	44%
Somewhat important	17%	26%	27%	22%
Important	10%	0	20%	30%
Unimportant/Very unimportant	1.6%	13%	3.6%	2.7%
Mean score (1-5, 1= very important	1.44	2.13	1.72	1.92

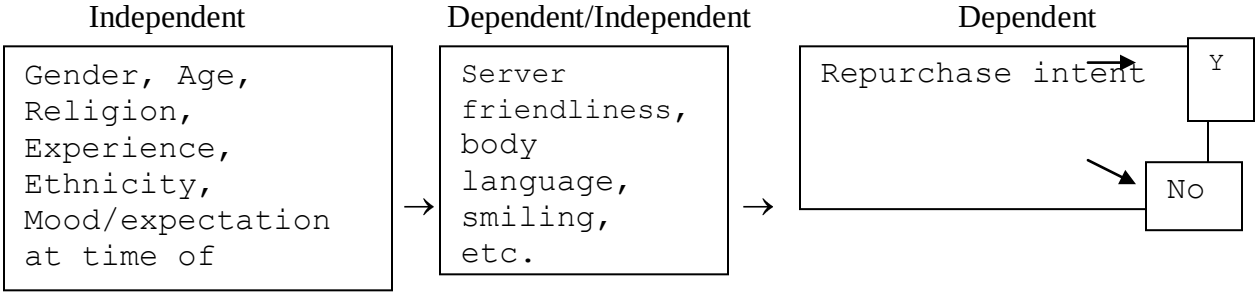
This paper highlights only the smiling factor as distinct from "attitude" in customer re-purchase intent.

LITERATURE REVIEW

In this research, smiling was part of the total "attitude" that we were measuring, and was used as the independent variable affecting the re-purchase intent, with demographic variables as modifiers. Using the following model (Fig.1), the difficulty of separating some of these variables becomes apparent:

Figure 1

Variables Affecting Re-purchase Intent



The literature covers many variables that affect and are affected by the above and more (Fishbein and Ajzen, 1972), but when asking solely about smiling, it is possible to make some conclusions. Service organizations place emphasis on friendly treatment as expressed by employees during employee training in order to maximize not only customer satisfaction but the desire to return (re-purchase) (Rafaeli and Sutton, 1987).

Oliver (1997) stated that emotion plays a central part in understanding the consumption experience. Smiling reflects an emotional response or antecedent to expected returned behavior. If, indeed, smiling at the customer is important to them and may affect re-purchase intent, two relatively new variables affect the need to train for maximum customer satisfaction in service settings:

1) Since September 11, 2001, the incidences of "customer rage" have increased, both in service experiences and in phone experiences. Increased need for security in all types of venues has increased the necessity for the person giving the service to avoid a patronizing or disrespectful attitude. Smiling, as tension reducing behavior, has the power to ameliorate these instances if used consciously by the players.

2) The 24/7 world leaves little downtime for many service workers. Customers who previously may have not have noticed a longer wait for the waitress to take their order are now incensed, and verbally so. Training in attitude and the proper handling of these situations, including sincere smiling, is increasingly important (Grove and John, 2004, p.41-46; Petrini (ed.), 1989).

Human interaction and its affect on people's lives have been studied for centuries. The "gathering" of people and the communal aspect of daily life have long shown that people make quick decisions about whether or not they trust or even like another human being within seconds (Ambady et al, 2006). Smiling is one of the "task rituals" used to negotiate the identity of the service provider; when those rituals are not observed, customer satisfaction may suffer (Williams, 2003, Bitner et al, 1990).

Research shows that "how the employee responds to (service failure) determines the customer's perception of the incident" (Bitner et al, p.78). It is more than "I'm sorry". The smile or lack thereof is an identifiable component in the take away experience of the customer. This fact adds a financial benefit for the restaurant to the social benefit for the customer of a pleasant experience (Rafaeli & Sutton, 1987). Barger and Grandey (2006) used research on smile strength to confirm a relationship between employee smiling and encounter satisfaction. The following was confirmed by Mattila and Enz (2002):

"That the customer's mood state measured immediately after the service encounter and displayed emotions during the interaction correlate strongly with the customer's assessment of the service encounter." (p.274).

In the above article, the authors suggest more training in reading the customer's mood so that body language, which makes up the majority of communication, can be accommodated.

There is actually extensive research on the effect of waitress behavior on tips, with no need to recap that here. Guerguen and De Gail (2003) report that "a smile enhances helping behavior toward the smiling person (tips)".

Expectancy-Value

The expectancy-value models discuss beliefs about an expected social occurrence and point out that there are several players in the customer satisfaction experience and the attitude of the server may have various affects on the customer, depending on the beliefs and current state (cognitive, expectancy-value basis) of the customer plus other, non-cognitive, factors (Fishbein and Middlestadt, 1995). The expectation disconfirmation model of satisfaction introduced by Oliver (1997) would make it clear that a restaurant patron whose experience was not what was expected because of the server's lack of smiling or non-friendly body language would suffer from negative disconfirmation, lessening re-purchase intent and possibly creating negative word of mouth (Davidow, 2003). Following this logic, fast-food restaurants, not known for their service or their food, stand to benefit from the positive disconfirmation experience of a young mother, whose good experience with a smiling order taker at, say, McDonald's, results in the intent to re-purchase at McDonald's more than competitive fast-food restaurants. If the consumer expects good service and a smiling server, their confirmation or disconfirmation of that expectation each time they visit affects re-purchase intention, the willingness to again visit that restaurant (or chain). Thus, the stream of future re-purchase decisions will depend on the consumer's "pre-purchase affective expectations, the emotions actually experienced during consumption, and the discrepancy between experienced and anticipated emotions" (Phillips and Baumgartner, 2002).

Smile Sincerity

When we study re-purchase intent, we are studying the repeat sales effectiveness of an organization. According to Futrell (2008), smiling is "the best nonverbal technique in the sales process (p.345)." Sincerity of the smile has also been studied. Restaurants may train their servers to "be sincere" in smiling, but are the servers all able to operationalize that when in front of real customers in varying circumstances? If the customer views the smile as artificial, it may have the opposite effect on re-purchase intention (Rafaeli and Sutton, 1987; Grandey et al, 2004). Nevertheless, Tom Peters reminds his readers to "smile if it kills you." (Peters, 1994) The Dale Carnegie public relations course has an exercise requiring the participants to march around the room shouting "act enthusiastic and you will be enthusiastic." This may seem silly, but restaurants have found that efficiency without the emotional component expected and needed by the customer to maximize their "re-purchase intention" does not meet the long-term goals of the establishment, whether it be McDonald's or Disneyland. McDonalds and Disneyland spend a great deal of money on training to ensure the appropriate socialization of their customer-serving employees.

Many of the requirements for smiling use other words to describe the behavior expected. Stauss and Seidel (2004) list behavioral characteristics expected of service employees, such as "persuasion skills", "social sensitivity", and "understanding", but it would be hard to envision the practice of these behavioral requirements without smiling.

The relevance of an event is different for different consumers (Prahalad and Ramaswamy, 2004; Braus, 1990; Fishbein and Ajzen, 1972). As such, an experience is partly subjective (I want the server to smile) and partly objective (I want the server to approach me within five minutes). As today's society is characterized by growing diversity, especially in our larger cities, an understanding of different service desires and of body language signals is increasingly important. In addition, cultural values are important to study, even with smiling, because of their influence on consumer behavior. It has been suggested that service quality is more important than perception of value in determining overall satisfaction (Ueltschy and Krampf, 2002), which supports the premise that price is not the most important feature for many customers. We found here that smiling and attitude were the most frequently mentioned factor in open ended questions of re-purchase/non-re-purchase intention.

In a recent analysis of airline complaints surrounding luggage handling, the Transportation Safety Authority found that courtesy and attentiveness are most important to travelers (McCartney, 2004). As customer experience remains the sole frontier of competitive advantage, and with product life cycles shortening dramatically, using the one thing that cannot be "commoditized" is one of few opportunities open to customer-driven businesses (Rayport and Jaworski, 2004). Although this research does not address the profitability that follows with satisfied customers, research has argued that relating satisfaction to profitability is stronger for services than for products (Edvardson et al 2000; Lowenstein, 1997; Reichheld, 1996). Both Oliver and Reichheld have held that customer loyalty can be measured in terms of increased profits.

Because services are basically heterogeneous and perishable, in the fact that each instance stands alone, they create a special challenge in designing quality programs (Zeithaml, 2003). Some restaurants assure good service by treating their employees well (Cavallaro, 2007). Included in Outback's *Principles and Beliefs* is "if we take care of our people—Outbacker's, customers, purveyors, neighbors, and partners—the institution of Outback will take care of itself" (Gauntlett, 2004).

The smiling behavior of the server as an independent variable thus takes on extreme importance within the expectation/disconfirmation model (Oliver, 1997), especially in the case of expensive restaurants. John (2003) gives an example of "a hotel spy" for a Preferred Hotel, who downgraded one of the hotels in the chain to 88% mostly because the waiters did not make eye contact with the diners. Here, body language, reflected in avoidance of eye contact, had a direct affect on the customer's satisfaction with the experience. No mention was made of the food, the ambiance, or the price. Although not stated in this particular experience, it is possible that customers remember the mood-lowering body language the next time they decide whether or not to return to that restaurant.

As business moves from mass marketing to one-to-one customer attention (Prahalad and Ramaswamy, 2004), restaurants must offer training to all customer-contact personnel. Customers have come to expect what they want when they want it, and they have less patience for servers who do not deliver accurate answers to questions or respond in a timely manner to requests. Smiling is a very cheap way to diffuse tension in restaurant settings. Starbucks puts effort into making sure that frequent customers are noticed and their orders anticipated—this effort is not a small part of their success in being a consumer's "third place". Service businesses must also keep up with those businesses, such as Amazon.com, that can offer services without a human smile because of advanced supply chain technology. This technology has been able to mimic the personal experience with a live server (i.e. "we just shipped your order"), thus competing in some ways with brick and motor experiences. Thus, the "thank you for your purchase" can be translated in the customer's mind to a smile from the vendor.

Many companies do research to pinpoint areas of service that need attention (Zeithaml and Bitner; 2003; Bitner et al 1994; Strauss and Seidel, 2004), but there has not been as much research focusing specifically on smiling behavior of the waiter or waitress. In other words, is the customer happier if the server smiles as he or she brings the correct dish or does it matter? Presumably, a decision not to re-purchase at a particular restaurant because of poor treatment (not smiling) would confirm the effect of these soft skills on re-purchase intent. Hornik's (1992) work on the effect of touch on buyer behavior reflects the accepted influence of both verbal and nonverbal communication as influencers in the sales process.

Brand equity

The issue of brand management enters the picture with all retailers that employ service people. Friendly service with smiling and laid back waiters is part of the brand positioning of Outback Steakhouse or Mimi's Café. "After all, it is the collective experience of customers that creates trust and in turn defines the brand." (Prahalad and Ramaswamy, 2004, p.134) As far as service employees are concerned, the "brand" will not be fully represented unless everyone lives the

brand, unless everyone who comes into contact with a customer is a brand-builder. Ritz Carlton is one of the most famous examples, as their entire program is designed to reward their own employees who make sure the customer is delighted. Brand equity generates value by reducing marketing costs, improving stock performance and also by enhancing the customer's satisfaction at point of purchase (Aaker, 1992; Gregory and Saxton, 2007). Though this research did not ask the respondents to rate specific restaurants, the open-ended questions at the end allowed for a discussion of restaurant brands. If brand equity is important to maintain category leadership and profitability in restaurant chains, the smiling behavior of the server becomes an important loyalty measurement. Good experiences with particular waitresses or waiters may result in attitude polarization, whereby merely thinking about a restaurant results in more extreme attitudes. (Posavac et al 2002) If so, the advertising of many of these chains must be supported with friendly service at each restaurant to support the re-purchase intention with which the consumer responds to advertising.

Lifetime Customer Value

Lifetime Customer Value is increasingly important to marketers, as the ability to assign profitability by customer is possible due to technology advancement. John (2003) has a formula to calculate not only lifetime value, but also lifetime referral value. If smiling and other body language affect the customer's experience, it is also likely to affect lifetime referral value (Lifetime value x number of referrals). Stauss and Seidel (2004, p.184) confirm that customer lifetime value is "the net present value of all profits that can be expected from a business relationship during the remaining duration of the relationship." Some marketing texts give Lifetime Customer Value as about $350,000 for a car and about $100,000 for a grocery store. Given that many people eat more than 50% of their meals in restaurants, the Lifetime Customer Value for one restaurant could be anywhere from $3,000 to over $10,000. If a restaurant holds 50 people, that is $500,000 on the line every day.

Training service personnel enhances the positive effect of handling complaints well: "Just by letting people ventilate or giving them an apology, by doing just those two things, which cost nothing, you can increase brand loyalty" (Oldenburg, 200, p. C-10). Research consistently demonstrates that complaint satisfaction or dissatisfaction has a large degree of influence on the attitude toward or the satisfaction with the business relationship (Stauss and Seidel, 2004). Welcoming the customer's complaint with an attitude (smile) of empathy is the important first step in ensuring the continued business of the customer.

Although this research did not ask specific questions about consumer active response to less than desirable service, whether or not they complained, costs of store avoidance because of previous bad experiences are very high. The total cost of a customer avoiding a store can run from $2.50 to $21,000 (Otto et al, 2004). Thus, even a fine restaurant with surly waiters faces less than maximum sales if customers choose other restaurants whose waiters smile more, thus creating a friendlier atmosphere for the customer.

Ethnicity/Race

The diversity of world customers creates the need to appropriately respond to the differences in a diverse world. Ueltschy and Krampf (2001) conducted research that confirmed their hypothesis that Mexican-Americans and Anglos exhibit significant differences in perceived service quality, with Mexican-Americans significantly more satisfied than Anglos in the same service situation. This fact will be important as the US Hispanic market will double by 2025, to 70 million consumers (Wellner, 2003). In addition, the Asian and Pacific Islander population has increased by more than nine times in the last 40 years. McDonald's restaurants located in predominantly Hispanic and Chinese neighborhoods hire employees who speak the respective languages, but this information did not include specific training in customer service for these groups (Vence, 2007).

Black consumers of luxury items base their purchases on whether the business treats them with respect (Braus, 1990). The comments in this research confirm the importance of respect and attitude in re-purchase intention for this group. Some studies have shown that service providers are not aware of their own prejudices, which may result in poor treatment of customers who are different than they are, or assumptions about their purchase intentions or requirements of personal space (Long, 2004).

Results of the Original Research

The original research sought confirmation of the following:

H_1 The effect of the server's attitude/service on customer re-purchase intent increases with the age of the customer.

H_2 The effect of the server's attitude/service on customer re-purchase intent is greater for women than for men.

These null form of these hypotheses were not rejected based on regression analysis.

H_3 The effect of the server's attitude/service on re-purchase intent is greater for native-born Americans than for immigrants.

H_4 The effect of the server's attitude/service on customer re-purchase intent is greater for whites than for other races. (Note: technically, Hispanics are Caucasian).

Theses hypotheses were not supported because the results showed that attitude/service was more important to Asian customers than to Caucasians.

The significance of smiling in several areas where it was not predicted, leads to this post-hoc Hypothesis:

H_0*: There is no difference in the effect of smiling on the part of the server on the re-purchase intent of non-native born customers than on native-born Americans.*

METHODOLOGY

The survey was developed and pilot tested for understanding, and then given to 220 students of various ages at a small western university. The full survey with descriptive statistics is available in the appendix. The diversity of this university in both age and ethnicity contributed to the ability to test our hypotheses.

Verbal instructions included why the study was being done, and the voluntary and anonymous nature of the research. The students filled out the survey at the beginning of class. There was no time limit in order to discourage rushing. The survey was divided into one set of questions about excellent attitude/service vs. food quality in general and then three sections specifically dedicated to fast food, family and fine dining restaurants. Questions were added to the end of the survey regarding components of body language as well as open-ended questions on positive/negative experiences.

RESULTS

A convenience sample of undergraduate and graduate students was chosen to complete the survey, so the result was 100% participation. Fifty-three percent of the respondents were female. Ethnic representation allowed us enough data to test our hypotheses, as follows:

Ethnicity	**% Sample**	**% U.S.**
Asian	29%	4.4%
American Indian	<1%	<1%
African American	8%	12%
Caucasian	42%	75%
Hispanic	18%	14%
Pacific Islander	3%	<1%

Source: US Census, 2000

(Note: Asian representation in this sample mirrors that at many US universities)

For each question, the respondents answered using a Likert scale (1=Strongly agree, 6=very strongly disagree) to obtain a mean score that can be compared among demographic groups. The first set of questions asked general questions about whether the patron would visit a restaurant again given several food and attitude/service possibilities. For instance, the first question was "If the service is excellent, I will visit this restaurant again, regardless of the quality of the food". The other questions asked about re-purchase intent for various food/service combinations. Table 2 represents the areas that were significant in ANOVA.

Table 2

ANOVA Born vs. Not born in the U.S.

	Mean Born in US	**Mean not born in US**	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Importance of Smiling	1.86	1.37					
Between Groups			10.445	1	10.445	10.879	.001
Within Groups			192.030	200	.960		
Total			202.475	201			
Importance of the total attitude	1.98	1.63					
Between Groups			4.974	1	4.974	6.148	.014
Within Groups			159.368	197	.809		
Total			164.342	198			
Attitude good, food poor, fine dining	2.9	2.7					
Between Groups			6.271	1	6.271	5.49	.020
Within Groups			227.321	199	1.142		
Total			233.592	200			
Attitude poor, food good, fine	3.01	3.44					
Between Groups			7.795	1	7.795	5.443	.021
Within Groups			285.021	199	1.432		
Total			292.816	200			

Smiling showed the most effect of those variables that were significant, with p=.001

This effect confirms the literature about the need to be patient and attentive to customers of all backgrounds and that those born in other countries find courtesy, attentiveness and smiling important.

The question about the importance of smiling was significant (2-tailed) at the p=.001 level in correlation with the following variables ("I will return to the restaurant if…"):

1. If the attitude is good but the food is average in a family restaurant.
2. If the attitude is good and the good is good in a fine dining restaurant.
3. If the attitude is good and the food is average in a fine dining restaurant
4. Body language
5. Tone of voice
6. Importance of the attitude of the server

A cross-tabulation of the importance of smiling to different ethnicities is shown in Table 3:

Table 3

Importance of Smiling

(1-5, 1 being most important)

Importance of smiling	**Asian N=59**	**African American N=15**	**Caucasian N=84`**	**Hispanic N=36**
Very important	71%	40%	58%	44%
Somewhat important	17%	26%	27%	22%
Important	10%	0	20%	30%
Unimportant/Very unimportant	1.6%	13%	3.6%	2.7%
Mean score (1-5,1 being very important	1.44	2.13	1.72	1.92

For those born vs. not born in the US, smiling was very important to 50% of those born in the US, but to 75% of those not born in the US. This shows that smiling is an important, and possibly an inseparable element for the customer in the restaurant experience.

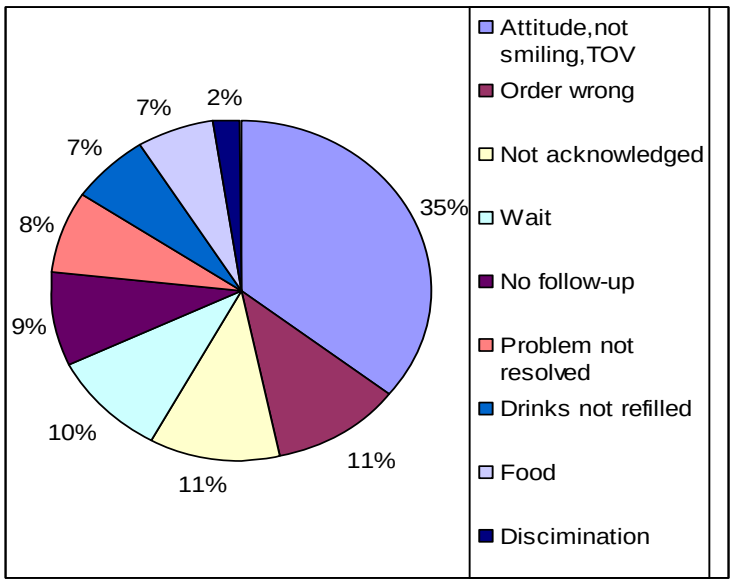
With regard to Gender, smiling was significant at the .040 level, with Pearson correlation of .140 for Gender. It was not significant for age. Smiling was very important to 64% of woman, but to only 35% of men. The mean for women as 1.59 and for men it was 1.88.

Open-ended Comments

The last part of the survey gave an opportunity for the respondents to tell us if they had stopped going to a restaurant and why, and about a good experience. One hundred and eight respondents (49%) have stopped going to a restaurant because of poor service. Poor attitude (did not smile, was nasty, etc) garnered more than 32% of the comments. Other reasons included failure to fix a wrong order, racial discrimination, poor tone of voice, and lack of attention. There were a total of 117 comments, separated by frequency; Figure 2 represents this.

Figure 2

Not intended re-purchase reasons. TOV= Tone of voice



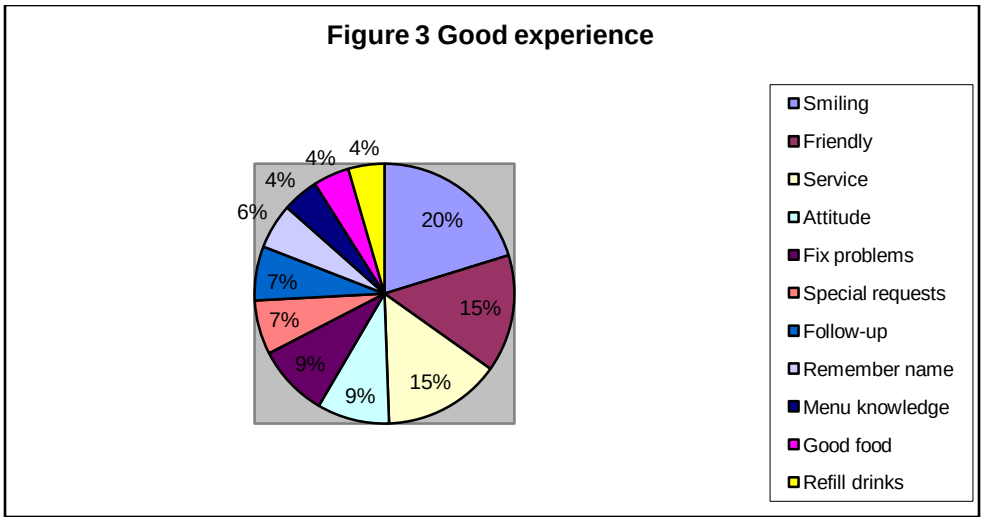
Specific restaurants mentioned included Applebees, Olive Garden, Mimis, Buca DiBeppo, and Cheesecake factory. Each of these was only mentioned once, and the next question, relating to a good experience, will show that many of these restaurants have more fans than detractors. The fact that attitude was so clearly the most important reason for not returning echoes sales training manuals that state 65% of customers stop doing business with a vendor because of indifference on the part of the vendor.

When asked to describe an incident where the server's attitude made the whole experience better, they mentioned places like Romano's Macaroni Grille, Olive Garden, Applebees, Black Angus, Chilis, Red Lobster, In&Out, Denny's and Claim Jumper. In this instance, "made the whole experience better" could be expected to positively affect re-purchase intent.

Several people said that a server who takes responsibility for fixing problems gets a better tip. One also said, "If the server is good, it can cover up a lot of problems". There is plenty of customer service literature to confirm that loyalty is even higher when problems are fixed on the spot than when there are no problems at all.

Also mentioned were servers who were patient with children and/or indecisive diners, and servers who were not intrusive.

Figure 3 presents reasons for good experiences:



We again see that "smiling", "friendly", and "service" are the most important reasons cited in a good experience, as they were in the bad experiences, with smiling and friendliness at 35% for both those who go back because of them and those who do not go back because of the lack of them.

From a statistical result and from an open-ended result, smiling and general friendliness are confirmed to play a part in customer re-purchase intent.

H_0: Smiling on the part of the server has no different affect on the re-purchase intent of non-native born customers than on native-born Americans. Ho is rejected because smiling is statistically shown to have a greater affect on Asian customers than on native born Americans. It also has a stronger effect on women than men, though not to the same extent.

RESEARCH LIMITATIONS AND FUTURE RESEARCH

Even though we had 220 respondents to the survey, the captive atmosphere and the fact that they may have been in a hurry, though not externally rushed, lessened the validity of the survey.

Smiling as a specific variable will be more stand-alone in the questions for the next research in order to be able to give it more attention on all sides.

DISCUSSION

Measuring smiling separately from other elements of body language was not predicted to produce a significant result, but it did. In ANOVA, the importance of smiling (1= very important; 6=not important), a key element in customer service, showed significant differences at the .001 level for those not born in the US vs. those born here, with an F of 10.879. At the p=.05

level, it was also significant for gender and ethnicity. This could mean that women focus on attitude and body language (such as smiling) more than men. Training in this area might have an effect on tips!

As employment continues to shift to service businesses, and as women pay more of the big restaurant bills in business entertaining, those businesses that invest in customer satisfaction programs and hire those most likely to represent their mission will continue to gain market share.

The implications of this research include the suggestion that restaurants:

1. Avoid cultural stereotypes when serving customers of different ethnicity, race, age or gender. Emphasize the importance of a genuine smile, especially to those from Asian countries.
2. Try to lower any language barrier that may exist with slower talking, better listening, and more eye contact.
3. Invest in the fact that training and empowerment have proven to be one of the most important ingredients in successful restaurants, regardless of type (Ingram and Jones, 1998).

Implications for the restaurant business include the necessity to focus training on all areas of possible customer differences, including age, gender and ethnicity. Chains that have standard headquarter training programs will need to analyze where their restaurants are and the customer make-up in each location. As service continues to be one of the few areas of differentiation, the onus is on restaurant managers to use this knowledge to maximize lifetime customer value.

CONCLUSION

As commerce becomes more rushed, the importance of smiling as the element of body language that can have one of the greatest affects on customer re-purchase intent is clear. The open-ended questions confirmed the quantitative data regarding the importance of smiling. Both people who stopped going to restaurants and people who had particularly good experiences mentioned attitude and smiling a majority of the time.

Suggestions to restaurants and the importance of this survey:

1. Training servers in genuine smiling, attitude, follow-up and handling special requests is a critical part of success measurement in the restaurant industry.
2. Given the high turnover in restaurants and the typically young age of servers, restaurant managers must pay special attention to monitoring the training of the servers.
3. The restaurants complimented mentioned in this survey as ones where a good experience had occurred are well known restaurants who take training very seriously and invest a lot into it on a continuous basis.

4. Customers from Asian countries respond more to attitude, both negatively and positively in terms of repeat visits than Americans.
5. Women are more likely than men to respond to smiling.
6. Teach them to smile!!!!

The restaurant business is highly competitive. In areas of high concentration where the food is pretty much the same from one chain to another, the best seem to stand out on service and friendly workers, and likely on Wall Street as well. This is no coincidence.

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APPENDIX A WITH DESCRIPTIVE STATISTICS

Services Evaluation Survey
Restaurant Patrons

	N=220	Mean	Very Strongly Agree	Strongly Agree	Agree	Disagree	Strongly Disagree	Very Strongly Disagree
1	If the ***service is excellent***, I will visit this restaurant again, regardless of the quality of the food.	3.81	6%	8.9%	21%	38%	14%	12%
2	If the ***service is average***, I will visit this restaurant again, regardless of the quality of the food.	4.15	<1%	5%	23%	36%	21%	14.5%
3	If the ***service is poor***, I will visit this restaurant again, regardless of the quality of the food.	5.04	2%	3%	3%	21%	25%	46%
4	If the ***food is excellent***, I will visit this restaurant again, regardless of the quality of the server's attitude.	2.86	10%	24%	44%	17%	3%	2%
5	If the ***food is average***, I will visit this restaurant again, regardless of the quality of the server's attitude.	3.72	1%	3%	38%	42%	11%	5%
6	If the food is poor, I will visit this restaurant again, regardless of the quality of the server's attitude.	5.22	2%	<1%	2%	18%	23%	54%
6	If the food is poor, I will visit this restaurant again, regardless of the quality of the server's attitude.	5.22	2%	<1%	2%	18%	23%	54%
7	Most of the time, the attitude of the server can overcome other problems with a restaurant such as cold food that should be hot.	3.15	9%	13%	46%	23%	7%	3%
8	I would be willing to pay more for really excellent service at a fast food restaurant.	3.72	5%	6%	28%	41%	12%	8%
9	I would be willing to pay more for really excellent service at a family food restaurant.	2.72	13%	25%	47%	11%	2%	2%
10	I would be willing to pay more for really excellent service at a fine dining restaurant.	2.41	28%	30%	30%	8%	1%	3%

For Fast Food Restaurants

11	Server's attitude is good, food is good	1.31	80%	10%	10%	<1%		
12	Server's attitude is about average or what you expect, food good	1.91	48%	30%	20%	2%		
13	Server's attitude is poor, food is good.	3.21	7%	21%	43%	20%	5%	3%
14	Server's attitude is good, food is average	2.76	5%	31%	50%	12%	0	1%
15	Server's attitude is about average or what you expect, food average	3.07	3%	18%	53%	24%	2%	1%
16	Server's attitude is poor, food is average.	4.09	<1%	5%	20%	49%	10%	15%
17	Server's attitude is good, food is poor	5.03	0%	2%	5%	42%	16%	34%
18	Server's attitude is about average or what you expect, food poor	5.15	<1%	<1%	1%	27%	21%	48%
19	Server's attitude is poor, food is poor.	5.59	2%	1%	0%	11%	4%	81%

For Family restaurants

		Mean	**Very Likely to Return**	**Somewhat Likely to Return**	**Likely to return**	**Un likely to return**	**Some what unlikely to return**	**Very unlikely to Return**
20	Server's attitude is good, food is good	1.38	77%	11%	7%	2%	0	1%
21	Server's attitude is about average or what you expect, food good	1.81	41%	39%	16%	2%	<1%	<1%
22	Server's attitude is poor, food is good.	3.10	6%	24%	38%	19%	5%	5%
23	Server's attitude is good, food is average	2.77	5%	32%	47%	11%	2%	<1%
24	Server's attitude is about average or what you expect, food average	3.11	2%	18%	53%	20%	4%	2%
25	Server's attitude is poor, food is average.	4.13	<1%	6%	17%	46%	15%	14%
26	Server's attitude is good, food is poor	4.74	0	3%	12%	30%	19%	36%
27	Server's attitude is about average or what you expect, food poor	5.10	0	2%	2%	27%	21%	47%
28	Server's attitude is poor, food is poor.	5.55	2%	<1%	2%	12%	3%	81%

For fine dining restaurants

		Mean	**Very Likely to Return**	**Somewhat Likely to Return**	**Likely to return**	**Unlikely to return**	**Somewhat unlikely to return**	**Very unlikely to Return**
29	Server's attitude is good, food is good	1.38	78%	11%	9%	1%	0	1%
30	Server's attitude is about average or what you expect, food good	1.93	34%	40%	24%	1%	<1%	0
31	Server's attitude is poor, food is good.	3.15	5%	25%	37%	22%	4%	7%
32	Server's attitude is good, food is average	2.85	5%	30%	46	15%	3%	1%
33	Server's attitude is about average or what you expect, food average	3.18	2%	21%	44%	22%	9%	1%
34	Server's attitude is poor, food is average.	4.25	<1%	4%	19%	43%	13%	20%
35	Server's attitude is good, food is poor	4.88		3%	7%	31%	19%	41%
36	Server's attitude is about average or what you expect, food poor	5.29	0	<1%	1%	22%	22%	55%
37	Server's attitude is poor, food is poor.	5.60	1%	<1%	1%	12%	6%	80%
38	Smiling	1.71	57%	20%	19%	2%	1%	1%
39	Body language	1.88	45%	30%	18%	7%	0	<1%
40	Tone of Voice	1.67	58%	21%	18%	3%	0	<1%
41	Addressing you appropriately	1.85	54%	22%	16%	7%	0	1%

		M	Very important	Somewhat important	Important	Unimportant	Somewhat unimportant	Not at all important
42	Please consider your total satisfaction with a recent dining experience you have had. How important to your experience was the attitude of the server?	1.87	42%%	34%	20%	3%	0	<1%

43. Have you ever stopped going to a restaurant because of a poor attitude demonstrated by the server? Yes __ No ___

44. If you answered "Yes" to question #42, Please describe the situation or circumstances that lead you to the decision to stop patronizing the restaurant. Feel free to name the restaurant.

_____

45. Please describe a dining experience that you have had where the server's attitude made to whole experience more pleasurable.

_____

For statistical purposes please tell us:

46. Your age bracket:

Under 25 ____ 26 – 31 ___ 32- 37 ___ 38 – 42 __ 43 – 48 ___ 49 – 55 ___ 56 – 65 ___ Over 65 ___

47. Your Gender: Female ___ Male ___

48. How do you describe your ethnicity?

Asian ___ American Indian ____ African American or Black ___ Caucasian or white ___ Hispanic or Latino/a ___ Pacific Islander __

49. Were you born in the United States of America? Yes ___ No ___

We thank you so much for your assistance with our research

HIGH SCHOOL TEACHERS' COMPLAINING BEHAVIOR TOWARD GOTHIC AND PUNK CLOTHING AND APPEARANCE

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ABSTRACT

In this article, we investigate high school teachers' complaining behavior toward male and female students' clothing and appearance. Specifically, our work contributes to the existing literature that examines the complaining behavior and perceptions related to visual cues. A convenience sample of teachers at four high schools in a large suburban area in a western state comprises the sample. Quantitative and qualitative data are used. Teachers' complain about male and female students who wear Gothic and punk clothing. Teachers have differing complaints regarding the implementation of the school dress code.

REVIEW OF LITERATURE

Just as students learn math and English in school, students also learn about themselves by experimenting with different styles and taking on different roles through clothing and appearance. Students establish an identity by adopting different fads and trends which carry various meanings to them; appearances that adults may not understand, complain about, or disapprove of the messages conveyed (Lurie 1976). It may be difficult for an adult to imagine what the teenager is expressing through this style of dress (Lurie 1976; Kaiser 1997). For example, teenagers who wear all black, decorate themselves with piercings and dye their hair every color of the rainbow may not convey messages that adults interpret as troublesome behavior rather than a way to express individuality.

While students embrace their freedom of expression through clothing and appearance by piercing different body parts and dyeing their hair various unique colors, clothing and appearance are under scrutiny in the public school systems across the United States (Starr 2000). Many school districts find that divergent (e.g., Gothic, punk) clothing and appearance are not conducive to learning and not the sign of a well run, disciplined establishment (Rose 1994). Gothic and punk styles of clothing are often scrutinized because they appear anti-establishment and therefore symbolize danger and violence. Gothic is an appearance that is characterized by wearing black or dark clothing, dark heavy make-up, black finger nail polish and featuring pale skin. Punk appearance is characterized by wearing ripped clothing, Dr. Marten footwear, spiked jewelry, t-shirts displaying punk band names, and sporting hairstyles in a Mohawk or in various colors.

Nonverbal Communication

Nonverbal communication relies solely on visual appearance and can convey what words cannot (Lurie 1976; Kaiser 1997). Nonverbal communication includes personal clothing and are appearance, gestures, facial expression, and bodily positions. It infers the use of clothing as a type of language. Clothing images are symbols that act as signs and have numerous meanings. Clothing signs may convey different connotations or associations and may carry certain values (Rubenstein 1995).

Clothing is one of the most powerful forms of communication. It is an important means of communicating one's values. The clothing we wear reveals much about who we are as well as our personality and mood (Kaiser 1997). Each of these groups is classified according to the type of clothing that they wear. For most adolescents, clothing is used to perform four functions: (1) It assures their identity and gives a sense of belonging with a peer group, (2) enhances self-concept, (3) makes them feel good about themselves, (4) and makes an impression on others (Sweeney 1989).

School Dress Code

Clothing conveys information about values, beliefs and emotions, for adolescents it is used as an expression of identity (Brunsma 1998). Divergent clothing and appearance such as Gothic and punk is linked to gang violence and is used as a source of intimidation in schools. Gang members are often recognized by their clothing; it is often worn to intimidate others which can create an unstable learning environment (Eppinger 2001; Starr 2000). Particular trends such as clothing that reveals midriffs and shorts and skirts that are high cut may be distracting and not conducive to a learning environment. Tee-shirts worn by teen girls bearing phrases such as "I make good boys bad" and "Good girls are bad girls that don't get caught," may send teens mixed messages to teens (Williams 2002). Some researchers suggest that provocative shirts, low-waist jeans, ultra casual short shorts and tight miniskirts are distracting for a classroom environment (e.g., Williams 2002). With this in mind uniforms are said to promote good taste, safety, and provide an atmosphere more conducive to learning.

Teachers' concern (warranted or unwarranted) will show through. Goths and punks may eventually act out in a wide variety of ways, some dangerous others simply inappropriate. Clothing is also been linked to gang violence and is used as a source of intimidation in schools. Gang members are often recognized by their clothing; it is often worn to intimidate others which can create an unstable learning environment (Eppinger 2001; Starr 2000).

The majority of high schools have dress codes. In some cases the dress code is designed to regulate the type of appropriate clothing students wear (e.g., cover midriff); other schools have dress codes for the purpose of keeping students safe (e.g., no gang colors) (Londono and Aratani 2007). Hats, ball caps and hooded sweatshirts (popularly known as hoodies) and 'mask' sweat shirts (e.g., burkas for boys) are regularly forbidden among the U.S. because students' faces can

be hidden from security cameras (Jan 2006; Tran 2007). Cargo pants are typically banned because pockets may be used to hide contra ban. Skull-emboss accessories are forbidden because of the symbolism of death (Breitman and Barker 2006).

Teenagers are rather resourceful when they are told they can't do or wear something. Girls who are told by parents or guardians they are not allowed to wear make-up may bring the make-up to school and apply it there and wash it off later in the day. The same goes for clothing prohibited by parents. Teenagers may simply bring the article of clothing to school and take it off when they go home. Teenagers are creative especially when it comes to clothing. There are many possible ways that uniforms may allow students to add their own personal style to express individuality. This may be done through shoes, jackets, hairstyles, etc…teenagers always seem to find a means of self expression (Kaiser 1997). High school dress codes are designed to provide security and a sense of well-being among students, teachers, and administrators. The dress codes at the participating schools are similar to those nationwide (e.g., Jan 2006; Tran 2007).

THEORETICAL FRAMEWORK

As a group gathers, complaining often becomes an everyday occurrence. Some individuals are chronic complainers (i.e., they complain repeated throughout the day every day), while other persons rarely complain or voice their complaints only when supported by others (Kowalski 2002). Complaining can be viewed as harmless and an insignificant event. For example, a teacher walks into the teacher's lounge and makes the following complaint "the weather man announced that there is a 60% chance of rain and I forgot my umbrella." The complaint may annoy persons but for the most part persons within earshot won't be offended. The complainer may (or may not) get wet if it rains; perhaps she even feels better by complaining.

People always have a reason behind a complaint; they benefit from the complaining behavior (Hirschman 1970; Kowalski 2002). A person's attitude toward complaining influences the complaint behavior (e.g., Blodgett and Anderson 2000, Kim, Dim, Im and Shim 2003). Complainers who believe they can make a difference by complaining will often continue complaining. Complainers who do not believe their complaints are being acted upon may choose to complain about a different subject or whine (Bodey and Grace 2007). For example, as teachers complain about students' clothing and appearance and school dress codes, the question arises regarding teachers' desired outcomes. There are multiple reasons for complaining. In the case of high school students' clothing and appearance, possible outcomes of teachers' complaints may include: a) expression of dissatisfaction with students' appearance, b) enforcement of a school dress code, or c) attitudes regarding school uniform.

Complaining about an individual's characteristics (real or imagined) however may lead to a ripple of negative behaviors of extraneous persons. As persons complain about an individual, others may generate begin to stereotype, ostracize, or change his/her methods of interacting with the individuals (Williams 1997). Whether a conscious or subconscious act, it is important for teachers to understand their perceptions and reactions to students based on their clothing and

appearance. Another negative effect to complaining about students is that students may eventually believe the complaint. For example, if a teacher complains to a student that he/she is unintelligent, the student may give up and not study; he/she may think studying will not help because he/she is dumb (Gove 1975).

The amount and frequency of complaining can lead to long term and intense dissatisfaction with a product and/or service (e.g., Bougie, Pieters and Zeelenberg 2005; Chelminski and Coulter; 2007). As complaints rise, so may the perceived magnification of the problem. Consumers have the option to change companies or products when they complain and are dissatisfied with the service or performance of a product. Complaining about an employer's policy, enforcement (or lack thereof) rules, or perceptions of how others handle themselves is not as simple as changing your shopping behavior. There is continuing complaining behavior (often called "a debate") across the U.S. regarding the influence clothing and appearance has on students' behavior and performance. Many school districts, the search for qualified teachers and maximizing limited resources are the primary considerations. Yet, teachers still complain and have little influence over policy. Of course, teachers who complain about the clothing and appearance of students (e.g., scary looking) do have an option and school superintendents know this all too well; a teacher shortage nationwide is ongoing and quality teachers are in high demand (e.g., Brady-Myerov 2007; Visionary Teacher 2007). Even if teachers don't want to move to another state, the shortage of qualified teachers is reaching a point where persons can choose his/her school. This being stated, why does the complaint over students' clothing and school uniforms continue?

In this article, we investigate high school teachers' complaining behavior between male and female students' clothing and appearance. That is, we examine the nonverbal communication of Gothic and punk apparel as it influences perceived characteristics. Specifically, our work contributes to the existing literature that examines the complaining behavior and perceptions related to nonverbal communication (e.g., Brusma 1998; Gove 1975). In the following section, we define our variables of interest and the hypotheses. Then, we describe the data collection procedures, measurements and methods, and discuss the findings. Implications and future research opportunities are also addressed.

RESEARCH QUESTIONS AND METHODOLOGY

This study examines high school teachers' complaining behavior toward students' Gothic and punk clothing and appearance. Two hypotheses are developed; quantitative and qualitative analyses are used to test the hypotheses.

Research question 1: Do significant differences exist between complaining behavior toward students' characteristics exists based on visual cues of each gender's Gothic clothing and appearance?
Research question 2: Do significant differences exist between complaining behavior toward students' characteristics exists based on visual cues of each gender's punk clothing and appearance?

Research question 3: What do teachers think about the school dress code?

Sample population

A large suburban area in a western state is the sample location. The state hosts four high school districts. For purposes of confidentiality, the districts are called District 1, District 2, District 3, and District 4. The size and number of high schools within each district vary significantly. Two of the districts are large (i.e., 14 schools and 17 schools respectively). District 4 is small with only one high school with an above average enrollment (i.e., 300 students).

Participating high schools within each district are included in the study based on a) similar enrollment size (i.e., 300-400 students), b) approximate balance between female and male student population, c) diversity among student enrollment, d) offering only grades 9-12 (e.g., some schools are classified as high schools yet offer classes beginning at grade six), e) classification as a public institutions (i.e., not a charter, private, or magnate school) and, f) does not require students to wear a uniform.

The convenience sample consists of high school teachers in seven schools within the four districts. Data are collected during a staff meeting. High school teachers' attitudes toward Goth and Punk clothing and appearance are identified. Demographic data including age, gender, number of years of teaching experience and whether or not the teacher had a high school age child of their own are collected.

Measurements

Four photos are taken of students designed to represent a) female dressed in Gothic clothing, b) male dressed in Gothic clothing, c) female dressed in punk clothing and d) male dressed in punk clothing. Refer to figure 1-4. In order to minimize any visual bias of stimuli, identical cues are used. All photos included identical male and female students, colors, and posture.

[Figures 1 - 4 Here]

Thirteen characteristics are evaluated on a bi-polar scale: a) popular vs. unpopular, b) intelligent vs. unintelligent, c) attractive vs. unattractive, d) happy vs. unhappy, e) likeable vs. unlikeable, f) independent vs. dependent, g) hardworking vs. lazy, f) respectful vs. disrespectful, g) active vs. inactive, h) healthy vs. unhealthy, i) creative vs. uncreative, j) competent vs. incompetent, and k) honest vs. dishonest. Teachers view a photo of a student and circle the characteristic that most represented the student in the photo. The activity is repeated four times, once for each photo (i.e., female dressed in Gothic apparel; male dressed in Gothic apparel; female dressed in punk apparel; male dressed in punk apparel).

Qualitative questions are asked regarding their teachers opinions regarding Gothic and punk clothing and the enforcement of school dress policy. To increase respondents' sense of confidentiality, journals are used to identify attitudes toward Gothic and punk clothing styles and opinions toward school uniforms. Three open-ended questions are posed to high school teachers. They include:

1. "How do you think teachers might perceive your children if they were dressed in Gothic or punk clothing?"
2. "What is your schools policy on dress codes?"
3. "If school uniform policies are enforced in the schools how will this affect student' rights such as their freedom of expression?"

Responses are independently translated by two of the researchers for accuracy.

Respondents' Characteristics

The sample consists of four high school districts throughout a large Western state; 18.8% (n=32) of the respondents work in the District 1, 29.4% (n=50) work in District 2, 36.5% (n=62) work in District 3, and the remaining 12.4% (n=21) work in District 4. Three percent of the respondents (n=5) chose not to respond to the question.

More than one-half of the sample (52.9%, n=90) are female; 39.4% (n=67) are male high school teachers. The majority of the respondents are between 41-60 years old (n=56). An additional 41% of the sample is between 20-40 years old; three percent (n=5) of the respondents are 61 years or older. Years of teaching experience range from less than five years to more than 21. Forty-five percent of the respondents (n=73) are in the school system for ten years or less. Twenty-nine percent (n=48) indicate having taught for 11-20 years; 26% (n=42) are long term teachers with 21 or more years. The majority of respondents (53%, n=84%) teach grades 9 through 12. Twenty-one percent (n=36) teach three grades; an additional 20% (n=32) teach two grades. Five percent of respondents (n=8) teach one grade.

RESULTS AND DISCUSSION

Research question 1: Do significant differences exist between complaining behavior toward students' characteristics exists based on visual cues of each gender's Gothic clothing and appearance?

Multiple T-Tests were conducted to test *Research question 1*. Results of the tests reveal that significant differences exist between teachers' perceptions of female and male students who are wearing Gothic clothing. The male photo was perceived to be significantly different than the female on all 13 characteristics. Specifically, teachers complained that the male student dressed

in Gothic apparel was a) unpopular, b) unattractive, c) unhappy, d) unlikable, e) lazy, f) inactive, and g) unhealthy. While there were significant differences between the two groups between the characteristics of the level of intelligence, independence, creativity, competence, and honesty, the score does not indicate the teachers' were complaining of these characteristics. Support for *Research question 1* is provided. Refer to table 1.

[Table 1 Here]

Research question 2: Do significant differences exist between complaining behavior toward students' characteristics exists based on visual cues of each gender's punk clothing and appearance?

Multiple T-Tests were conducted to test *Research question 2*. Results of the tests reveal that significant differences exist between teachers' perceptions of female and male students who are wearing punk clothing. The male photo was perceived to be significantly different than the female on six characteristics. Teachers perceived that the male dressed in punk apparel was significantly more a) unhappy, b) disrespectful, c) unhealthy, d) inactive and e) uncreative than the female dressed in punk apparel. Support for *Research question 2* is provided. Refer to Table 2.

[Table 2 Here]

The level of complaints differs between genders. Although the students are posed in a similar manner, dressed in similar colors and similar clothing, teachers complain to a stronger degree about the male student. It is unknown if there is bias against a male dressed in Gothic and punk clothing. Qualitative statements from the teachers highlight interesting negative complaining behavior. The teachers complain about the negative characteristics of the students and also complain that other teachers will perceive their children negatively. In other words, the nonverbal communication from Gothic and punk clothing is pervasive throughout the teaching environment. One respondent indicates:

"I think teachers feel *they are strange or unreachable."*

The complaining behavior as well as the concern for being "unreachable" may lead back to the Columbine violence whereby the two killers were viewed to be unable to receive the necessary help from professionals. Similarly, complaining statement regarding respondents concern that Goths or punks will act out/dangerously.

Clothing and appearance is used as an identity, sense of belonging, and makes and impression on others (Sweeney 1989). The Gothic and punk clothing makes an impression on the teachers; the

impression is not necessarily a socially desired impression. One respondent indicates that:

"*I feel that depending on the teachers they might view them as unloved and someone who will act out/dangerous."*

The nonverbal communication of being unloved and dangerous may not be accurate, but in an environment where gang influence continues to rise (e.g., Wade and Stafford 2003), the uncertainty of the complaint becomes enhanced. School violence often occurs as a result of clothing and appearance (Alvez 1994). Different student groups (e.g., Goths versus punks), gang affiliated colors, or status symbols may spark student unrest and violence (Wade and Stafford 2003). Their clothing and appearance labels them as dangerous. Respondents' complaints about this group of students include:

"*…weird, different, unhappy and uncaring…rebellious and anti-social.*

" *They may be ostracized by their peers and labeled by their teachers… thought of as disrespectful or lower class."*

Research question 3: What do teachers think about the school dress code?

Each participating school has a school dress code. The code is designed to eliminate many of the Gothic and punk related clothing and accessory items. For example:

" Hats prohibited in building, headsets prohibited in classrooms, clothing may not display tobacco, alcohol, drugs, gang affiliation, profanity, vulgarity, or sexual content. Spiked jewelry may not be worn; cell phones/pagers may not be visible or audible in the classroom."

Teenagers design creative methods for individual expression while bending the school dress code (Jan 2006; Tran 2007). The level of enforcement of the dress code also influences how much the students will "push the envelope" by wearing divergent clothing and accessories. After all, a dress code is only as good as its enforcement. At one school, the dress code is:

"*Very liberal,* no hats, profanity/drug references."

Students are forbidden from wearing hats, baring midriffs, and displaying gang related colors.

The interesting point was the uniform little enforcement of the dress code. Teachers state their concern of students who wear Goth and punk clothing and appearance, labeling the students dangerous.

"No gang related clothing and cannot show the 4B's breasts, butts, backs and belly's."

The school dress code which will limit the abuse of such items is not enforced. Another teacher stated that the school dress code is:

> "*Apparently very lax—students are seldom reprimanded for inappropriate dress. The only ones chastised are girls bearing breasts or girls baring belly button or tummies. Boys in apprenticeship to be plumbers are never chastised*."

While the teachers complain about characteristics of Gothic and punks, they also realize that the dress code is not enforced. The teachers complain to a greater extent about the boys' characteristics, yet they do not hold the boys accountable to the dress code. The complaining behavior may benefit the teachers in some manner. The teachers also may feel helpless; they may perceive themselves as not having any influence over the dress code.

LIMITATIONS, CONCLUSIONS, FUTURE RESEARCH

As a convenience sample using only teachers from one state, the researchers are limited to opinions of persons from one region of the United States. The study does include quantitative and qualitative data, which is beneficial; however the breadth and depth of the data collected are limited. Research on this subject requires in-depth interviews as well as lengthy quantitative data collection. A random sample of cross-sectional data throughout the U.S. is required.

Societal concerns are raised based on students' clothing and appearance. Divergent Gothic and punk styles generate complaining behavior associated with fear, degradation, alienation, and anti-social behavior. The complaints are given without regard to the student's abilities, personality and/or actions. An outcome from these complaints may include students believe the negative characteristics.

Teachers complain that students who wear Gothic or punk clothing are "scary." It is also warranted to examine the impact of "scary" environments (e.g., job turnover). As the nation continues to seek quality teachers at all levels, an examination of the impact of complaining behavior on job satisfaction and job switching is warranted. At no other time in history do our teachers have opportunities for additional paid training, selection of school districts, and courses. It is seem prudent that administrators would want to create an inviting environment in which to recruit the best teachers. The qualitative comments from this study (e.g., scary) suggest that some school districts provide a challenging environment for teachers. Further research related to teachers' concerns and dress code are warranted.

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Figure 1: Photo of female Gothic clothing and characteristics

A	B
Popular	Unpopular
Intelligent	Unintelligent
Attractive	Unattractive
Happy	Unhappy
Likeable	Unlikable
Independent	Dependent
Hardworking	Lazy
Respectful	Disrespectful
Active	Inactive
Healthy	Unhealthy
Creative	Uncreative
Competent	Incompetent
Honest	Dishonest

Figure 2: Photo of male Gothic clothing and characteristics

A	B
Popular	Unpopular
Intelligent	Unintelligent
Attractive	Unattractive
Happy	Unhappy
Likeable	Unlikable
Independent	Dependent
Hardworking	Lazy
Respectful	Disrespectful
Active	Inactive
Healthy	Unhealthy
Creative	Uncreative
Competent	Incompetent
Honest	Dishonest

Figure 3: Photo of female dressed in punk clothing and characteristics

Popular	Unpopular
Intelligent	Unintelligent
Attractive	Unattractive
Happy	Unhappy
Likeable	Unlikable
Independent	Dependent
Hardworking	Lazy
Respectful	Disrespectful
Active	Inactive
Healthy	Unhealthy
Creative	Uncreative
Competent	Incompetent
Honest	Dishonest

Figure 4: Photo of male dressed punk clothing and characteristics measured

Popular	Unpopular
Intelligent	Unintelligent
Attractive	Unattractive
Happy	Unhappy
Likeable	Unlikable
Independent	Dependent
Hardworking	Lazy
Respectful	Disrespectful
Active	Inactive
Healthy	Unhealthy
Creative	Uncreative
Competent	Incompetent
Honest	Dishonest

Table 1

T-Test: Perceived characteristics of students dressed in Goth clothing based on visual identification

Characteristics		**Female**	**Male**	**T-value**
Popular	Unpopular	1.56	1.73	-6.57***
Intelligent	Unintelligent	1.05	1.24	-3.45**
Attractive	Unattractive	1.40	1.69	-6.08***
Happy	Unhappy	1.49	1.64	-3.00**
Likeable	Unlikable	1.18	1.44	-5.17***
Independent	Dependent	1.09	1.12	-1.00**
Hardworking	Lazy	1.17	1.50	-6.57***
Respectful	Disrespectful	1.23	1.53	-5.96***
Active	Inactive	1.46	1.70	-1.78***
Healthy	Unhealthy	1.29	1.50	-1.78**
Creative	Uncreative	1.02	1.08	-3.75***
Competent	Incompetent	1.05	1.20	-3.98**
Honest	Dishonest	1.11	1.33	-4.30***

***p<.001; p**<.01

Table 2

T-Test: Perceived characteristics of students dressed in punk clothing based on visual identification

Characteristics		**Female**	**Male**	**T-value**
Popular	Unpopular	1.34	1.33	.155
Intelligent	Unintelligent	1.21	1.23	-1.34
Attractive	Unattractive	1.47	1.49	-1.06
Happy	Unhappy	1.21	1.64	-2.51**
Likeable	Unlikable	1.10	1.44	-5.175***
Independent	Dependent	1.18	1.22	-1.04
Hardworking	Lazy	1.25	1.51	-5.07***
Respectful	Disrespectful	1.24	1.56	-3.45***
Active	Inactive	1.20	1.58	-2.23**
Healthy	Unhealthy	1.17	1.50	-3.75***
Creative	Uncreative	1.05	1.31	-5.87***
Competent	Incompetent	1.16	1.26	-1.90
Honest	Dishonest	1.16	1.33	-2.76

***p<.001; p**<.01

SEEKING RESPECTABILITY THROUGH WORD-OF-MOUTH:

EXPERIENCES OF ADVENTURERS INTO CYBERSPACE

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ABSTRACT

"To boldly go where no man has gone before" (Star Trek)

There is a renewed interest in word-of-mouth (WOM) by both marketing practitioners and academics. If marketers can understand and manage consumers' experiences and WOM, they can benefit from increased numbers and customer loyalty (Keller, 2007). Research suggests that customers who keep buying and recommend the firm to others are the key to business growth and profit (Reichheld 2003, 2006; Marsden, Samson & Upton, 2005). Reichheld (2006) in particular argues that businesses must move beyond traditional satisfaction studies. Instead, they must talk to 'promoters' and 'detractors' and understand their experiences. Marketers must understand what consumers are saying to other consumers about their services/products in order to engage in meaningful experiences and conversations with consumers (Keller, 2007; Reichheld, 2003, 2006).

Recently, Ward and Ostrom (2006) examined complaint web sites created by dissatisfied customers for how these consumers interpreted their grievances and their motives for complaining to the public. They found that these consumers felt betrayed, rejected, and devalued because the target firms did not respect them as consumers. These customers framed themselves as 'protestors' and 'crusaders' to obtain personal revenge for being disrespected and to warn others of the firm's disregard for all customers. These customers sought to protect their self-esteem by proclaiming the firm as 'evil.' They sought to regain respect and repair their identities by being viewed as "courageous" and "heroes" in their fight for the moral rights of others. Ward and Ostrom's research suggest that respect and self-identity may play important roles in complaining behavior and especially WOM.

This paper draws on a phenomenological study of six consumers' successful online purchasing experiences to provide a better understanding of the roles that respect and self-identity play in WOM. Using the consumers' stories (including stories by the author who collected the data), it specifically illustrates how their self-identities and their need to be respectable guided what information they shared, how and when they shared it, and with whom.

Three men (Mark, Hayden, Brad) and three women (Mila, Shona, Helena) aged between 19 and 28 participated in the research. All were early users of online shopping. Mark first purchased online in 1997, Hayden in 1999, and the remaining four in 2001. Mark and Hayden trained and worked in the information technology (IT) area. Brad and Mila classified themselves as having moderate IT knowledge, and Shona and Helena had little interest and understanding of computers. They all used the internet regularly for email and information sourcing. All are of European decent, except for Helena who is of Chinese heritage. Shona is a dual citizen and lived in both countries for extended periods. At the time of the study, Mila was an international exchange student. The researcher who interviewed these participants is a European male and, at the time of the study, was in his early twenties with moderate computer technology knowledge and internet experience.

Interviews were unstructured and conversational (Becker, 1992; Thompson, Locander & Pollio, 1989), lasted from 1½ to 2 hours, and were transcribed verbatim. The transcripts were first analysed for the meaning of each participant's online shopping experiences and then for themes (e.g., sharing and self-identity) across the participants' experiences (Thompson 1997; Thompson et al., 1989; van Manen, 1997). Later, two of the researchers used a narrative analysis to reanalyse and interpret the data to illustrate the role of respectability in WOM.

We report how these consumers affirmed, enhanced, or protected their self-identities and respectability through WOM. We use Star Trek characters as metaphors for participants in this study. Like the crew of the U.S.S. Enterprise, all participants viewed themselves as risk takers, adventurers into uncharted territory -- boldly going where no man has gone before. As online purchasing was in its infancy, they felt anxious and nervous about the whole process.

These adventurers were excited and proud of their online shopping experiences. They felt "special" (Mark), "stoked" (Hayden), "cool" (Brad) and "really excited" (Shona) when their packages arrived in the mail. "It was like receiving a gift" (Mila and Helena); "it was like Christmas" (Mila). These feelings stemmed from the surprise and sense of relief that their online shopping experiences were successful. In their surprise, excitement, relief, and satisfaction of overcoming the risk and their pride in working through the process to complete successful online purchases, all six adventurers shared their experiences with 'appropriate' others.

The findings support and enlighten results of other studies that have examined the antecedents of WOM. For example, our findings support Westbrook's (1987 p. 267) results that it is negative and positive "affect that stimulates the 'web of word-of-mouth' rather than satisfaction per se…." Similarly, our findings recap Derbaix and Vanhamme's (2003) conclusion that surprise can increase the frequency of WOM.

Our results extend this theory, however, by introducing respectability as an important element in the satisfaction and WOM dynamic. For instance, our results suggest that surprise is less 'key' to WOM than Derbaix and Vanhamme (2003) suggest it is. The desire to retain, regain, and enhance respectability is important to the content and targets of

WOM. Respectability appears to drive the when, who, what, and how of WOM. Respectability may even determine whether WOM occurs, even in the presence of intense emotions.

Our adventurer consumers shared many types of information, but they all talked about price savings. All six felt excited and proud that they had saved money by purchasing online and shared their feelings and knowledge. This is consistent with research that shows that deal prone customers are likely to generate positive WOM about special deals (Derbaix and VanHamme (2003) and Wirtz and Chew (2002). As Wirtz and Chew (2002) note, such consumers enjoy talking about their experiences and feeling like "smart shoppers." In our capitalistic society, many consumers view price saving as a moral responsibility (Fourcade & Healy, 2007) or virtue and hence as a way of being respectable (Southgate, 2003). Other elements of respectability were social standing and being "cool."

'Cool' was respectable for the men. All three men described themselves as "cool" because of their online leadership. 'Captain Kirk' (Mark) bragged to everyone to announce his technological expertise and respectability. 'Scotty' (Hayden) shared his expertise to make online shopping understandable and safe for others. 'Sulu' (Brad) felt less technically inclined than others and thus did not talk to techies about his online experiences. Instead, he told people less technologically skilled than himself because he felt cool compared to them. 'Bones' (author) wanted to keep his experience all to himself (no WOM) because telling of his misfortune as a fraud victim would not be respectable according to his self-identity of being intelligent and in control.

Status was respectable for two of the women adventurers. 'Chekov' (Mila) and 'Uhura' (Shona) used their online purchases to establish elite status relative to others. They were proud of having brands others could not get and they were proud of their technological successes that others had not achieved. They communicated these achievements in WOM and 'Word of Wear.'

Although just as excited as the others, crewmember Helena spoke little of her online shopping successes. She searches for respectability in "the best deals." She says little to her parents about her online purchases because she wants to affirm her identity as "the good daughter" who buys only necessities at good prices. She only talked about her online experiences with her technological mentor (out of respect for his help) and one other person who sought her advice. Keeping quiet retained her self-identity and respectability. "It is very Chinese" to avoid risk to 'face.'

Our research clarifies the sometimes-confusing literature about when people engage in WOM. We find that self-identity and respectability help define the conditions for sharing and what and with whom people share. Intense emotions from dissatisfaction do not necessarily lead to increased WOM. If an experience damages self-identity or detracts from respectability (Bones, Sulu, Crewmember Helena), these adventurers tended to keep quiet. Bones, Sulu, and Crewmember Helena avoided WOM to avoid damaging their respectability. Despite intense

emotions – Bones felt embarrassed and foolish – Bones did not spread the word. He wanted sympathy, but comments about how silly and naïve he was only increased his feelings of shame, decreased his WOM, and weakened his self-identity. Had his self-identity centred on courage and heroism – like the customers in Ward & Ostrom's study (06) – he might have protested louder.

Even intense pleasure from satisfaction does not necessarily increase WOM. Crewmember Helena resisted telling about her successes because bragging is inconsistent with her self-identity and doing so would have made her less respectable – in her view. Furthermore, if she told people and then discovered that her deals were not as good value as she thought, she would feel bad. Sulu knew that telling his technologically skilled friends would not affirm his membership in the expert group, but that telling others would make him 'cool.'

Our research suggests that Respectability deserves more attention. We need to understand respectability. How does it relate to 'respect?' How does it relate to 'cool?' How does it fit with power structures and social standings in the marketplace? We need to learn more about how respectability contributes to satisfaction, dissatisfaction, and WOM.

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CONSUMER DIFFERENCES IN REACTIONS

TO DOWNLOAD DELAYS

AND SATISFACTION WITH WEB SITES

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ABSTRACT

This study confirms that satisfaction with a Web site is an important antecedent of consumer behavioral intentions related to the Web site. At the same time, the study finds evidence that download delays can undermine the positive effect of satisfaction with a Web site on consumer intentions to use the Web site. This is true whether download delays are captured within general assessments of download speed or as specific perceptions of download time in seconds. The results further show that the negative effects of download delay on consumer intentions to use the Web site are present for Caucasian respondents but not for Hispanic respondents, and for men but not for women.

EXTENDED ABSTRACT

Consumer satisfaction with a Web site depends on a number of factors such as the type and amount of information provided, the visual appeal of the layout, the ease of browsing through the Web site, and whether the links on the Web site are working or not (e.g., Flavián, Guinalíu, and Gurrea 2006; Zviran, Glezer, and Avni 2006). At the same time, online consumers often cite slow downloading of Web sites as one of the most frustrating aspects of using the Internet (eMarketer 2006; Forrester Research 2007). Therefore, a primary objective of this study is to determine the extent to which download delays undermine the effect of online consumers' satisfaction with a Web site on their intentions to use that Web site.

In addition, offline research suggests that there are cultural and demographic differences in time perceptions. People in polychronic cultures tend to be more accepting of delays than monochronic cultures (Graham 1981; Hall 1973), and women tend to be more accepting of delays than men (Dabholkar and Walls 1999). Thus, a second objective of the study is to investigate whether similar cultural and gender differences with respect to time perceptions might be found in online contexts.

As online travel represents a substantial proportion of Internet sales (Wang et al. 2007), the travel context was used for the study. A mock travel Web site was created to control the download times of individual Web pages. University students in the U.S. were recruited for the study. Other than serving as a convenience sample, university students represent a sizeable

segment of online consumers and often have experience with travel Web sites (Gefen and Straub 2003). Using a laboratory experiment, participants were exposed to a range of different download times as they used the travel Web site to book an airline ticket. The students thought it was a real Web site that was being tested and that the simulated purchase at the end of the online exercise was simply to prevent them from making an actual payment.

At the end of the booking process, the participants filled out a survey capturing their evaluations, behavioral intentions, and demographics. Satisfaction was measured for five different aspects related to the Web site, including relevant information, sufficient information, attractive layout, ease of browsing, and working links. Perceived speed of the booking process was captured with three items asking if the time to book the flight was reasonable, whether information was obtained quickly, and if the download time for each page was acceptable. Intention to use the Web site in the future was ascertained with three questions which asked respondents their likelihood of purchasing tickets at the Web site, recommending the Web site to others, and bookmarking it for future use. All items for these three constructs were measured on five-point Likert-type scales. Factor analysis showed satisfaction with the Web site, perceived speed of the booking process, and intentions to use the Web site to be separate and distinct factors. Reliabilities, in terms of Cronbach's alpha, were 0.73, 0.76, and 0.88 respectively.

Respondents were also asked to gauge how long (on average) each Web page took to download. Their response to this question was labeled as perceived download time and was measured in seconds. Measures of demographics included ethnicity and gender. There were 152 Caucasians, 76 Hispanics, and 24 respondents who fell into one of the following categories: African-American, Asian-American, Native American, or other. The gender division was somewhat more equal, with 134 men and 118 women.

Regression analysis confirmed that satisfaction with the Web site had a positive effect on intention to use the Web site in the future ($\beta = 0.54$, $p<.001$). Adding perceived speed to the equation reduced the effect of satisfaction ($\beta = 0.43$, $p<.001$) and showed a fairly strong effect of perceived speed ($\beta = 0.23$, $p<.001$). As an alternative test of the effect of download delay, perceived download time measured in seconds was substituted for perceived speed in the equation examining the effect of satisfaction on intention. With this change, the effect of satisfaction on intention was unchanged ($\beta = 0.54$, $p<.001$) but perceived download time had an added, significant negative effect ($\beta = -0.16$, $p<.01$).

Next, regression analysis was done separately for Hispanic vs. Caucasian respondents to represent polychronic vs. monochronic cultures. Using general assessments of perceived speed of the booking process, the speed factor had a significant effect on intentions for Caucasian respondents ($\beta = 0.25$, $p<.001$), whereas the effect of satisfaction on intentions was reduced for them ($\beta = 0.44$, $p<.001$) as compared with the values for the group as a whole. In contrast, perceived speed of the booking process did not have a significant effect on intentions for Hispanic respondents, and the effect of satisfaction was slightly increased ($\beta = 0.58$, $p<.001$) as compared with the values for the group as a whole.

Using perceived download time in seconds in an alternative test as done previously, this perception of download delay had a significant negative effect on intentions for Caucasian respondents (β= -0.19, $p<.05$), and the effect of satisfaction on intentions was reduced as before (β= 0.44, $p<.001$) in comparison to values for the group as a whole. In contrast, and as in the case of perceived speed, perceptions of download delay in seconds did not have a significant effect on intentions for Hispanic respondents, and the effect of satisfaction was substantially increased for them (β= 0.67, $p<.001$) as compared with the values for the group as a whole.

Further, a t-test showed that Caucasian respondents estimated the average download time per Web page to be 19.33 seconds, whereas Hispanic respondents estimated it to be 6.64 seconds (t = 5.20, $p<.001$). This result further substantiates the cultural difference in time perception found through regression analysis.

A similar comparison analysis was conducted for men and women. Using general assessments of perceived speed of the booking process, the speed factor had a significant effect on intentions for men (β= 0.30, $p<.001$), whereas the effect of satisfaction on intentions was substantially reduced for men (β= 0.32, $p<.001$) as compared with the values for the group as a whole. In contrast, perceived speed of the booking process did not have a significant effect on intentions for women, and the effect of satisfaction was practically unchanged for them (β= 0.55, $p<.001$) as compared with the values for the group as a whole.

Once again, using perceived download time in an alternative test, this perception of download delay had a significant negative effect on intentions for men (β= -0.25, $p<.001$), and the effect of satisfaction on intentions was reduced as before (β= 0.46, $p<.001$) in comparison to values for the group as a whole. In contrast, and as in the case of perceived speed, perceptions of download delay in seconds did not have a significant effect on intentions for women, and the effect of satisfaction was increased (β= 0.60, $p<.001$) as compared with the values for the group as a whole.

Further, a t-test showed that men estimated the average download time per Web page to be 16.90 seconds, whereas women estimated it to be 12.96 seconds (t = 1.75, $p<.1$). Although this result is only marginally significant, it offers some further support for the gender difference in time perception found through regression analysis.

The results of the study confirm that satisfaction with a Web site is an important antecedent of consumer intention to use the Web site in terms of future purchases and recommendation. Therefore, online marketers should certainly continue to focus on Web site design in terms of factors such as relevant and sufficient information, attractive layout, ease of browsing, and working links. At the same time, the study found evidence that download delays can undermine the positive effect of satisfaction on intentions. Therefore, online marketers need to be concerned about download delays, especially those delays, created by adding too much Web content, which are within their control.

The study also showed that the negative results of download delays were present for Caucasian

respondents but not for Hispanic respondents, and similar effects were present for men but not for women. These results support offline research on time perceptions related to cultural and gender differences and extend it to the online context. Moreover, given that the Hispanic students were somewhat acculturated to the dominant U.S. culture, the differences found in time perceptions of the two ethnic groups are striking. These differences offer strong support for the idea that online marketers who target different cultures ought to seriously consider such differences in their Web designs. Similarly, given that the male and female students in the study were similar in age, education, and Internet use, the gender differences that were found have greater credence and direct implications for marketing strategy.

The implications for online marketers are that if their Web site has a larger target of consumers from monochronic cultures or a larger proportion of male online users, they need to be much more concerned about limiting download delays, possibly by reducing Web content. On the other hand, if their principal targets are polychronic cultures or female online users, they need not worry excessively about download delays and could possibly incorporate richer Web designs or greater Web content.

As the study used a sample of students, it limits generalization to the wider population. However, given that university students represent a viable target for online marketers, the findings do have some direct practical relevance. In addition, as the study was based on a lab experiment, actual behavior could not be captured. However, it was possible to time download delays accurately and to control for extraneous factors that might otherwise have influenced consumer intentions.

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THE MODERATING EFFECT OF COPING ON STUDENT SATISFACTION WITH A SHORT STUDY ABROAD PROGRAM

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INTRODUCTION

According to an ***Open Doors*** report, published annually by the Institute of International Education, the number of American students receiving academic credit for their study abroad has increased 150% in the past decade alone. Much of this growth stems from students participating in their universities short-term study abroad programs. This study investigates the impact of student's perceived active coping skills on both overall satisfaction and individual components of a short (18 day) study abroad program.

A study abroad program serves many purposes including academic credit, personal growth, and exposure to another culture. As a part of the academic credit earned the student must attend class, take exams, quizzes, participate in discussions and or complete projects or assignments. Typically, a student is also encouraged to take advantage of free time to experience cultural and social activities in the foreign country. Thus, it is not surprising that a majority of students report a high degree of anxiety and stress before leaving on a tour (Koernig 2007). We believe that an ability to cope allows students to lessen the influence of many of these negative stressors and in turn experience greater satisfaction with the program.

Coping is generally considered to be a process by which an individual attempts to minimize the negative emotions that arise from the experience of negative events. It has been extensively studied in a number of contexts including among others sales performance (Belschak, Verbeke, and Bagozzi 2006; Nonis and Sager 2003), consumption (Duhachek 2005; Duhachek and Iacobucci 2005), school-related stress (Pritchard and McIntosh 2003; Wrzesniewski and Chylinska 2007), marital satisfaction (Hoekstra-Weebers, Jaspers, Kamps and Klip 1998), and aggressive customer behaviors (Ben-Zur and Yagil 2005). For purposes of this study and as an initial investigation into the effects on student satisfaction with the study abroad experience, we decided to focus on active or problem-focused coping. Many of the stress inducing factors associated with study abroad are very controllable (i.e. getting lost, performing well in class, getting along with classmates, etc.) and thus an investigation into the impact of active coping on satisfaction is appropriate.

HYPOTHESES AND RESEARCH OBJECTIVES

The basic research question addressed by this study was does the coping skills of students moderate the relationship between post level satisfaction and expectations prior to the trip. We

anticipate that students with high coping skills will use those skills to mitigate the effect of negative events during the study abroad program resulting in higher post level satisfaction when compared to those students with lower coping abilities. Furthermore, we believe that this will hold true not only for overall satisfaction but for satisfaction with all aspects of the program.

Thus our research hypotheses are as follows:

Hypothesis 1: The relationship between post level satisfaction and expectations prior to the trip is stronger for students with high coping skills than for students with low coping skills. This will hold true with respect to each of the following:

(2) overall level of satisfaction	(3) academic activities	(4) planned activities
(5) independent activities	(6) social life (f) hotel	(7) Study Abroad Office staff

METHODOLOGY AND DATA ANALYSIS

Students were given two questionnaires, one before their departure from the US and one after their arrival home. By conducting a two-phase research we were able to compare their expectations to their final experience and satisfaction. The respondents included 22 males and 86 females ranging in age from 20 to 22 years old with the majority being 21 and having the class standing of juniors. Thirty-one different majors were represented. The program was divided into six individual components that cover the entire spectrum of the study abroad experience: academic, planned activities with the class, independent activities outside of class (i.e. independent sightseeing, shopping, clubbing), social life, hotel, and the Study Abroad Office Staff (Program Director and her assistants). Among other questions, students were asked how satisfied they expected to be overall with the study aboard program and its various components using a 7 point scale (from 1 Very dissatisfied to 7 Very Satisfied). The same set of questions asking the students to rate their actual satisfaction was asked on the post-trip questionnaire. To measure active coping we used seven items that were relevant to the purposes of this study and were adapted from the COPE measurement instrument (Carver, Scheier, & Weintraub, 1989). These five items were included on the first questionnaire only.

A reliability analysis followed by a factor analysis was performed for the coping measure. Two items with weak loadings were dropped with the resulting scale being unidimensional with a Cronbach's alpha of 0.77. The moderating effects of individual differences among respondents were tested by subgroup analysis (cf. Arnold 1982). The sample first was sorted in ascending order of a hypothesized moderator (e.g. coping skills). Next, consistent with standard econometric conventions (e.g. Goldfeld and Quandt 1965), the top and bottom 35% of the cases were selected so as to obtain two subgroups reflecting low and high scores of the moderator (Kohli 1989). The middle 30% of the cases were omitted to improve the contrast between the subgroups and hence the power of the subsequent statistical tests. For a detailed discussion of this procedure see Johnston (1972, p.219).

RESULTS

Table 1 presents the results. Overall these findings support the central thesis of the study that the level of coping skills among students leads them to respond differently to the different components (attributes) of satisfaction both in terms of expectations prior to the trip and post-level of satisfaction.

The difference in the regression coefficients across the two subgroups reflecting low and high levels of coping skills were statistically significant (refer to Table 1). This finding supports the prior notion that the student's level of coping skills moderates the effect of expectations prior to the trip on the post level satisfaction for the different components of satisfaction measured in the study. A unit change in coping skills has a stronger impact on the post level satisfaction with high level coping skills than that of students with low levels of coping skills. Thus consumers with low levels of coping skills are more sensitive to variations in post level satisfaction.

DISCUSSION

Coping is a moderator between expectations prior to the trip and post level satisfaction. Students with high coping skills tend to perceive the information or attributes of satisfaction differently from students with low coping skills. If students with low coping skills are not familiar with the various attributes or cannot comprehend the information that is communicated as a part of the study abroad learning experience, they may either end up ignoring the information or misrepresenting the information. Similarly, the students with high levels of coping skills will process the information with more vigor or "with a fine tooth comb" as a result they may perceive the information and the whole study abroad experience more positively or negatively. These findings present very valuable insight for managers and practitioners of the travel/tourism industry as they plan these foreign vacations for their customers on a daily basis.

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Table 1
Regression Coefficients Across Low and High Levels of Moderator Variables (Unrestricted Run)

				Independent Variables		
Moderator Variable	Dependent Variable	R^2	Δ in R^2	Moderator Level	Expectations prior to the trip (overall)	Chow Test
Coping Skills	Post-level Satisfaction Overall	0.012 0.030	-0.018	Low High	0.098 0.175	16.03

				Independent Variables		
Moderator Variable	Dependent Variable	R^2	Δ in R^2	Moderator Level	Expectations prior to the trip (academic)	Chow Test
Coping Skills	Post-level Satisfaction academic	0.000 0.070	-0.070	Low High	-0.008 0.331	23.10

				Independent Variables		
Moderator Variable	Dependent Variable	R^2	Δ in R^2	Moderator Level	Expectations prior to the trip (planned activities)	Chow Test
Coping Skills	Post-level Satisfaction Planned activities	0.122 0.000	0.122	Low High	0.411 0.003	42.04

				Independent Variables		
Moderator Variable	Dependent Variable	R^2	Δ in R^2	Moderator Level	Expectations prior to the trip (independent activities)	Chow Test
Coping Skills	Post-level Satisfaction Independent activities	0.137 0.029	0.108	Low High	0.315 -0.210	26.78

Moderator Variable	Dependent Variable	R^2	Δ in R^2	Independent Variables: Moderator Level	Expectations prior to the trip (social life)	Chow Test
Coping Skills	Post-level Satisfaction Social life	0.293 0.000	0.293	Low High	0.483 -0.026	47.66

Moderator Variable	Dependent Variable	R^2	Δ in R^2	Independent Variables: Moderator Level	Expectations prior to the trip (hotel)	Chow Test
Coping Skills	Post-level Satisfaction hotel	0.054 0.102	-0.048	Low High	0.255 0.323	14.89

Moderator Variable	Dependent Variable	R^2	Δ in R^2	Independent Variables: Moderator Level	Expectations prior to the trip (SAO)	Chow Test
Coping Skills	Post-level Satisfaction SAO	0.198 0.143	0.055	Low High	0.374 0.590	51.80

$^{****}p < .001$
$^{***}p < .01$
$^{**}p < .05$
$^{*}p < .10$

EVERY BRICK TELLS A STORY:

STUDY ABROAD AS AN EXTRAORDINARY EXPERIENCE

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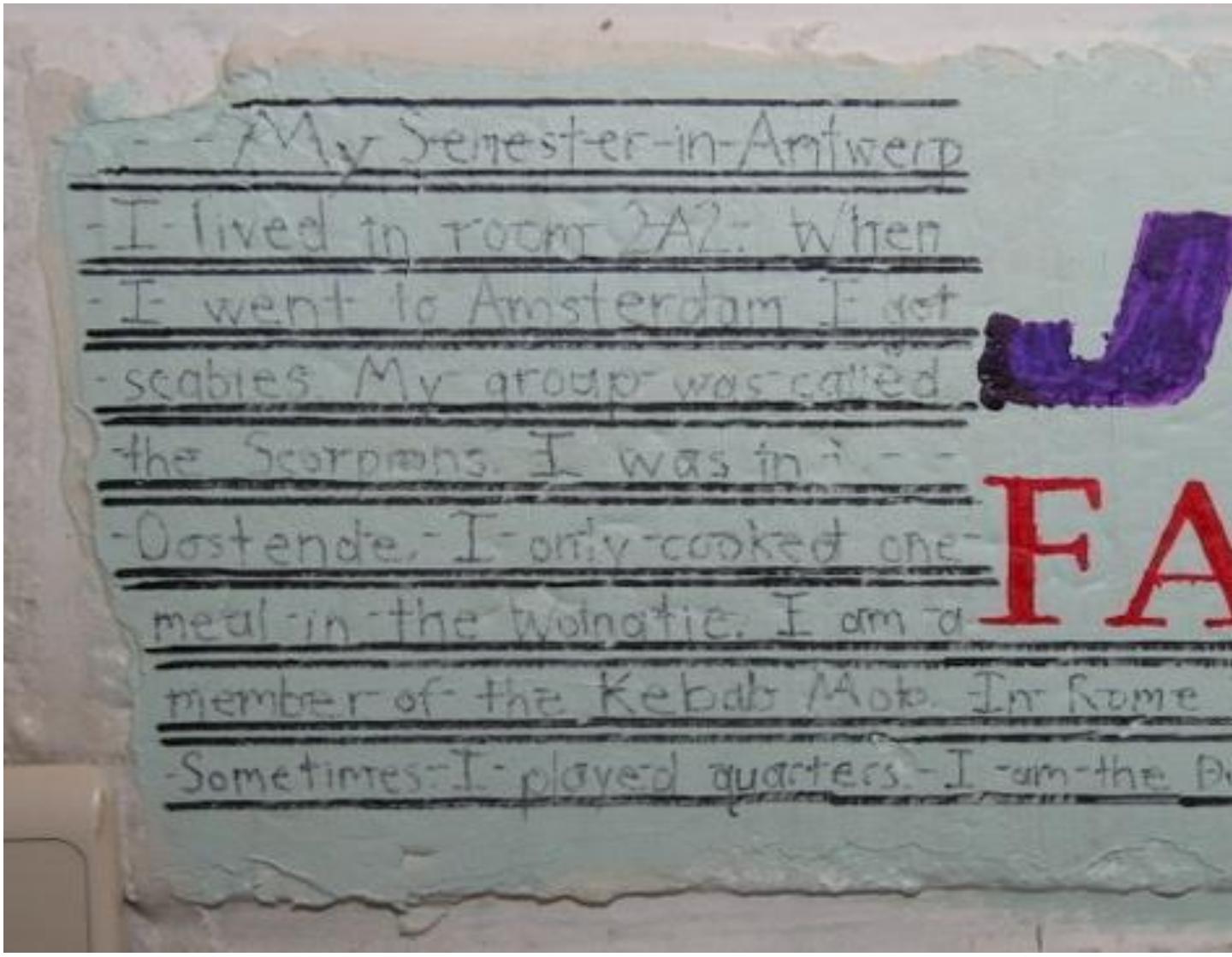
Val Larsen, James Madison University

ABSTRACT

James Madison University operates a study abroad experience for business students in Antwerp, Belgium. One of the most common comments from participants after they return is, "This was the best experience I had in college." Many others have said, "This has been the best experience of my life so far." This study uses an analysis of graffiti to analyze the deep satisfaction experienced by participants in this program. At the end of the program, each student was allowed to create a single graffito on a cinderblock brick at the residence. This study hermeneutically analyzes the graffiti left on over all 236 bricks over a three year period and concludes that several factors led to the high levels of satisfaction with the program (see below for a sample of the graffiti). The first emergent theme from the analysis was community. The social interaction of the participants and the close quarters in the residence led to high levels of satisfaction and even delight with the program. A second emergent theme was that of "magical moments," or episodes during the program that defined the experience for the participants. A third theme focused on the rite of passage into adulthood through travel, new experiences, and new learning opportunities. A fourth theme focused on the interplay of alcohol and the study abroad experience. Taken as a whole, the study abroad experience can be viewed as an "extraordinary experience" (Arnould and Price 1993), an experience that was created by a dynamic interaction of the participants, emotionally intense, spontaneous and unrehearsed, life-changing and self-defining, and interpreted within the broader context of the students' lives.

KATIE "O."
O'ROURKE
SPRING '05
FALL 04
Steph
Ashley
SUMMER '05
JMH
FALL 05


My Semester in Antwerp
I lived in room 2A2. When
I went to Amsterdam I got
scabies My group was called
the Scorpions. I was in
Oostende. I only cooked one
meal in the whole tie. I am a
member of the Kebab Mob. In Rome
Sometimes I played quarters. I am the
FA

NOT ALL IMMIGRANTS "LOOK" ALIKE:

A CULTURAL GLIMPSE INTO IMMIGRANT

CONSUMER COMPLAINT BEHAVIOR

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ABSTRACT

Great research attention has been given to consumer complaint behavior (CCB) both domestically and cross-nationally. Yet, the underlying mechanisms through which a consumer's cultural value orientations impact his/her CCB remain unclear. This paper proposed a *mediation* model, where various CCB antecedents are influenced by consumer cultural value orientations and such difference along CCB antecedents, in turn, lead to CCB difference, and a *moderation* model, where CCB difference can be explained by the cultural impact on the relative importance of various scenario-specific factors. A 2X2X2 between-subject scenario-based experiment was administered with 250 Hispanic and 165 Chinese immigrants. Results largely support both models and provide guidance for service providers.

INTRODUCTION

Immigration undoubtedly represents one of the most significant social phenomena of our times, and we are witnessing today the single largest tide of population movements in history. The Hispanic market in the U.S., for example, consists of 40.4 million consumers (U.S. Census Bureau 2004) and has a purchasing power of $581 billion that is forecasted to reach $926 billion by 2007 (Gardyn and Fetto 2003). The Asian-American population, which currently exceeds 11 million, is expected to more than triple to 34 million in the next 50 years with spending clout that already exceeds $427 billion per annum.

Great research attention has been given to consumer complaint behavior (CCB), both domestically and cross-nationally. Yet, very few studies have focused on the impacts of *sub-cultural difference* on consumer behavior in the services contexts (Hernandez, et al. 1991; Cornwell, Bligh and Babakus 1991). This is surprising given the fact that many studies have found significant *cultural difference* in consumer service expectation, service evaluation, and consumer reaction to service failure / recovery (c.f., Zhang, et al. 2007).

This paper attempts to contribute to the service marketing literature and sub-cultural consumer behavior literature by studying the underlying reasons for observed CCB difference between

first-generation Hispanic immigrant consumers (HIC) and Chinese immigrant consumers (CIC) in the South California area. Using first-generation immigrants from two ethnic groups at the same region enables us to re-examine previous findings on cultural difference of CCB because the economic and social norms were controlled, at least at the macro level.

Further, previous studies on cultural difference of CCB have yet offered an integrated theoretical framework explaining the observed difference. Conceptually, CCB difference could be explained by the cultural influence in various CCB antecedents such as perceived utility of complaint, self-perception, and different perceptions of the industry/market structure, which in turn lead to different CCB options. This explanation for cultural difference in CCB can be referred to as the *mediation* model. Alternatively, CCB difference could be explained by the cultural impact on the relative importance of various CCB antecedents in predicting / driving CCB. This alternative model can be referred to as the *moderation* model. In this study, we will examine both the mediation and moderation models through which we could explain how consumers' home cultural orientation influences their CCB options.

The third contribution is to validate previous findings about cultural difference in CCB with an experiment design across two different service industries. Previous CCB studies frequently rely on consumers' self-reported recall of past dissatisfying experience (c.f., Richins 1987 and others) which may result in several undesirable biases, such as consistency factors and memory lapses, and may be less likely to represent the full range of problems that might arise. Although researchers have long recognized the importance of episode-specific measures in predicting CCB (c.f., Day 1980; Richins and Verhage 1985 and others), few actually empirically tested episode-inducing methods. Our experimental design offers the advantages of manipulating episode specific factors and allows for the control of as many variables as possible to isolate the effects of interest.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Several researchers have offered taxonomies of consumer responses to failed product / service experiences (c.f., Singh 1990a; Richins 1987 and others) and developed and tested theories of the antecedent to CCB. In particular, Singh (1988) empirically investigated the distinct dimensions that underlie consumers' intentions to engage in various complaint behaviors, including voice, word-of-mouth, and third-party complaint. In deciding on the types of CCB, consumers may experience different cognitive and emotional evaluation process (Singh 1990a; Stephens and Gwinner 1998). In this study, we only focus on voice CCB among immigrant consumers because understanding voice CCB bears more managerial implications to service providers.

There are many factors that could influence CCB. Broadly speaking, these CCB antecedents can be classified into service/product failure *scenario-specific factors* (e.g., type and magnitude of the failure), and *non-scenario-specific factors* including personal characteristics (e.g., consumer demographic and psychographic features) and industry characteristics, and interactions among personal, industrial and scenario-specific factors. The majority of CCB antecedents belong to the interactions among personal, industrial and scenario-specific factors, meaning consumer

perceptions of and reactions to the service/product failure. The large number of CCB antecedents makes it impossible to include all the antecedents in one study. We selectively studied three scenario-specific factors and five non-scenario-specific CCB antecedents with our two immigrant groups based on a review of the literature. Two selective criteria were adopted: the chosen CCB antecedents are more likely to be influenced by consumer cultural differences and the antecedents have been consistently found to be strong predictors for voice CCB in previous studies. As shown in Figure 1, the immigrant consumers' cultural orientation influences their CCB through both meditation and moderation models. Through the mediation model, the immigrant consumers' cultural orientation leads to difference in the five non-scenario-specific antecedents, which in turn lead to voice intention difference. Through the moderation model, the immigrant consumers' cultural orientation leads them to react differently to the three scenario-specific factors.

---------- *Figure 1 Here*----------

Mediation Model

The five non-scenario-specific factors which were studied in this research include the perceived attractiveness of alternatives (to represent the industrial features), perceived service provider responsiveness and perceived complaint costs (to represent the cognitive reactions to the service failure scenario), negative emotional reactions to the failure, and self-confidence (to represent personal characteristics). The cultural impacts on each will be examined. A review of studies on national culture values suggests that people from Hispanic nations (e.g., Mexico) demonstrate higher individualist value and lower uncertainty avoidance than Chinese (Hofstede 1991). Furthermore, influenced by Confucian doctrines, Chinese have long been recognized for possessing long-term orientations, as compared with people from non-Asian nations (Markus and Kitayama 1990). The following six hypotheses will be built upon these primary cultural differences between Hispanic and Chinese immigrants.

Attractiveness of Alternatives (AOA)

The importance of industrial characteristics in influencing consumer reactions to dissatisfaction experience has been extensively studied (Singh 1990b and others). In particular, Singh (1990b) empirically tested what Hirschman called the "loose monopolies" proposition. He found that loose monopoly industries tend to evidence lower voice rates than more competitive industries. It is not clear whether different immigrant consumers share the same market perceptions. In this study, we selected attractiveness of alternatives (AOA) to represent immigrants' *perceived* industry / market structure of certain service failure contexts. AOA refers to customer perceptions regarding the extent to which viable competing alternatives are available in the marketplace (Jones, Mothersbaugh, and Beatty 2000). It is important to note that this measure is

based on the consumer's *perception* of other available companies who could alternatively provide the product or service in question. Consumers who perceive higher AOA should be more likely to voice their dissatisfaction because the market structure resembles more "loose monopoly" to them.

With higher individualism and lower uncertainty avoidance (Hofstede 1991; Hofstede and Bond 1988), HIC were observed to be more prone to try new products and have higher level of consumerism than their Anglo counterparts (Yankelovich, Skelly and White, Inc. 1984). Even though we did not find direct observation on CIC's consumerism, their high uncertainty avoidance may lead them to be less open to new options than their Anglo counterparts. Thus, we hypothesize the following:

H1: HIC are more likely to perceive higher AOA than CIC.

Perceived utility of complaint

Built upon economic theoretical framework, several CCB researchers have found that consumers tend to "calculate" the worthwhileness of their CCB options. The probability of complaint success consistently has been found to be a strong predictor for CCB. On the other hand, complaint takes effort and is an investment from the consumers' perspectives (Richins 1987). Therefore, when consumers perceive higher costs of complaining, they are less likely to engage in voice behavior.

Previous cultural studies have found that passive orientation is typical among collectivist cultures (Chan 1967; Holtzman et al. 1975) whereas individualistic oriented individuals tend to think that the universe is controllable and that people are their own masters. Therefore, with a more collective cultural orientation, CIC will be more passive in predicting service provider's actions. Thus, given the same service failure scenario, CIC may perceive lower likelihood of success, as compared with HIC. Additionally, Chinese consumers have long been recognized to value harmony and avoid conflict because confrontational situations tend to cause higher social and psychological costs for group-oriented cultures than for individualist cultures (Markus and Kitayama 1990). Furthermore, previous studies have reported that a significant difference between Mexican-Americans and their Anglo counterparts is the perception of time. Taking a more short-term orientation, Hispanic consumers expect the future to be the same as the past and do not worry about the future (Graham 1981). Thus, the value they place on their time of engaging in CCB could be lower than other consumer groups, including CIC. Thus, we hypothesize the following:

H2: Under the same service failure scenarios, HIC will perceive higher likelihood of success of complaint than CIC.

H3: Under the same service failure scenarios, HIC will perceive lower costs of complaint than CIC.

Negative Emotional Reactions to the failure

The predictive power of negative emotions evoked by a dissatisfied experience has been largely ignored by CCB researchers. Only recently, Stephens and Gwinner (1998) proposed a cognitive-emotional process model of CCB but did not empirically test it. Earlier studies on cultural difference suggest that individuals from a collectivist cultural orientation gain higher self-esteem and respect by adjusting, restraining self, and maintaining harmony within the social context. Collectivism encourages the suppression of emotional expressions for the sake of group harmony while the value system of individualism actively encourages the exploration and expression of emotion (Oyserman, Coon and Kemmellmeier 2002). Therefore, we would expect CIC would be more reticent about expressing their feelings than HIC:

H4: Under the same service failure scenarios, HIC will report stronger negative emotions than CIC.

Self Confidence

A wide range of personal factors have been found to have direct impact on CCB, (c.f., Bearden and Teel 1980; Singh and Wilkes 1996; Singh 1989,1990b and others). In particular, self-confidence or personal competence has been found to have a positive impact on consumer voice actions (e.g., Bearden and Teel 1980). In this study, consumer self-confidence was chosen to represent personal differences. Previous studies suggest that individualist cultures tend to grant individuals higher self-confidence because the self-definition and self-esteem among individualists is relatively independent of social context and depends on success in being unique and in validating internal attributes (Markus and Kitayama 1990). Therefore, we expect:

H5: HIC have higher self-confidence than CIC.

The above five hypotheses suggest that HIC and CIC home cultural origins could lead to difference in CCB antecedents. All these CCB antecedents have been frequently found to positively relate to voice actions, thus, we further hypothesize that HIC will have higher intention to complain than CIC. If HIC believe higher AOA from the market place, place high utility of complaint, experience stronger negative emotions, and feel more confident about themselves, they should be more likely to engage in voice actions when facing same service failures. Thus,

H6: HIC will have higher voice behavior intention than CIC.

Moderation Model

Smith, et al (1999) proposed that the amount and nature of loss of resource will be determined by the type and magnitude of the failure that occurs. Other researchers have also classified service failures along outcome or process dimensions to examine customer responses (Bitner, Booms, and Tetreault 1990; Smith and Bolton 2002). Outcome failures relate to the core service offering,

while process failures relate to the manner in which the service is delivered. Thirdly, previous research (e.g., Triandis, et al. 1988) found that compared with individualistic cultures, cooperation in collectivist cultures is higher with in-group members than with out-group members. Therefore, the nature (outcome vs. process) and magnitude (high vs. low in severity) of service failures as well as the group-membership (in-group vs. out-group) of service provider will be examined in our moderation model.

When making judgments, individualism encourages a direct focus on internal responses to the context (Choi, Nisbett, and Norenzayan 1999 and others), placing less importance on the context and the cues it contains and being more attuned to an individual's responses to context (representing a low context culture). Collectivism places greater importance upon causal reasoning and forming perceptions of the individual's social context, situational constraints, and social roles (e.g., Oyserman, Coon and Kemmelmeir 2002). In a service failure context, the core-service failure (outcome failure) should be more influential for HIC than for CIC because process failures are social / role-related. The difference between outcome versus process failure should be smaller among CIC than HIC. Thus,

H7: The difference of voice intention for an outcome versus process failure will be larger for HIC than for CIC.

On the other hand, research shows that Hispanic consumers are concerned with the value they get for their money. About 80 percent of Hispanics indicate that they pay close attention to insure quality for price paid (Yankelovich, Skelly and White, Inc. 1984). So, the severity of the service failure will have more impact on their reactions. Thus,

H8: The difference of voice intention for high severity versus low severity failure will be larger for HIC than for CIC.

Social interactions between individuals in a collectivist culture depend heavily on whether they belong to the same in-group. Competition with and exploitation of out-groups is more extensive in collectivist cultures than individualistic cultures (Espinoza and Garza 1985). With a more collectivist culture, CIC are more likely to complain to in-group service providers than to out-group providers because complaining directly to a service provider signals helping behavior to the benefit of the service provider (Fornell and Wernerfelt 1987). Such in- vs. out-group difference should be less significant among HIC given the fact that its cultural original is less collectivism. Thus,

H9: There will be less difference of voice intention between facing service failure caused by in-group providers versus out-group providers for HIC than for CIC.

Covariates

Besides the above mentioned eight CCB antecedents, a large number of other factors could influence immigrant CCB. For example, many studies have demonstrated the influential roles of demographic features, including age, gender, education, income and social class (e.g., Bernhardt 1981; Kowalski 1993 and others). On the other hand, previous studies in the sub-cultural consumer behavior literature have long recognized the impact of ethnicity, ethnic pride, acculturation and assimilation on consumption practices (e.g., Donthu and Cherian 1992, 1994; Laroche et al. 1996). Therefore, we will consider both ethnicity identification and the degree of acculturation when examining immigrant consumer CCB.

METHOD

Research Design

Using snowball sampling techniques used in previous sub-cultural studies (e.g., Quester and Chong 2001), this study is conducted among a convenience sample of Hispanic and Chinese non-student adult immigrant consumers in the South California area (250 Hispanic and 165 Chinese). In addition to these two focal groups of sample respondents, we also have conducted the same study with a non-immigrant student group (n=307). Please note that the non-immigrant student group was not the focus of our study as the constraints of using student sample have been widely recognized (e.g., Lamb and Stem 1979). Information gathered from this group will be used to demonstrate the measurement equivalence for our immigrant studies as all of our immigrant surveys were conducted in either Chinese or Spanish. Further, this information will also be used for post-hoc comparison to supplement findings from the non-student immigrant groups.

Our study employs a scenario-based method in which the respondents were asked to imagine themselves, in the role of the customer, experiencing a hypothetical service failure scenario. Each respondent was first presented with one of the eight scenarios (sample scenarios upon request) in a car repair setting where each of three scenario-specific factors were manipulated at two levels; type of failure (outcome versus process failure), severity of the failure (high versus low magnitude of the failure), and group-membership of service provider (in-group versus host service provider). In order to validate our findings across different service industries, each respondent was also present similar scenario in a restaurant setting.

Table 1 provides various demographic characteristics and measures of our sample respondents. We see that there is a fairly good distribution of gender, education and income for the two samples; the Hispanic sample tends to be less affluent, less educated, and has longer immigrant experience (median immigration years for Hispanic is 18 while 10 for Chinese), roughly corresponding the census data (www.census.org).

----------*Tables 1 & 2 Here*----------

Measures and Measurement Equivalence

Both the Chinese and Spanish questionnaires were developed from English using the back-translation method, involving bilingual research assistants (Hui and Triandis 1985). The sample scale items and reliabilities, as well as the sources, are shown in Table 2.

Measurement reliability and validity is assessed by estimating a factor confirmatory measurement model for all three data sets. In each model, each item was set to load only on its own factor, and the factors were allowed to correlate. Measurement models demonstrate acceptable fit for each data set (details are available upon request).

Using Steenkamp and Baumgartner's (1998) suggested guidelines for cross-cultural comparisons, the measurement equivalence of the key measurement variables was tested using confirmatory factor analysis. Table 3 shows no chi-square difference between the full metric invariance model and the configural invariance model, which also has no chi-square increase from the baseline model. Further, full factor variance invariance model and partial error variance invariance model (out of 37 error variance terms, five were set free for the two samples) were also supported by our data. Thus, the observed differences were comparable.

We have also verified the collectivism/individualism values of our participants using Hofstede's (1980) Collectivism/Individualism Scale. The scale was found to be reliable across the Chinese and Hispanic samples (α = .73 and .80, respectively) and a t-test confirmed that the Chinese sample was significantly lower in individualist cultural values than the Hispanic sample ($\overline{X}_{Hispanic}$ *=5.47 vs.* $\overline{X}_{Chinese}$ *=4.90, P<.001).*

----------*Tables 3 & 4 &5 Here*----------

Hypotheses Testing

Table 4 shows the mean difference of five non-scenario-specific CCB antecedents and voice intention across the two immigrant groups at two service categories. Information from the non-immigrant student sample was presented to serve as a reference point. All the mean comparisons were conducted with all three scenario-specific factors, demographic factors, ethnicity identification, and acculturation being controlled as covariates.

As shown in Table 4, Hypothesis 1 predicted that our sample of HIC will perceive higher AOA than their Chinese counterparts and was supported. Similarly, hypotheses 2 and 3, predicting HIC should perceive higher likelihood of success and lower costs of complaint, were supported. Hypothesis 4, predicting stronger negative affect experienced by our HIC than by our CIC sample, was also supported. Hypothesis 5, predicting higher self-confidence among HIC than CIC, was not supported (P>.10). Hypothesis 6 predicted HIC to have higher voice intention and was supported. Interestedly, we found that HIC had even higher voice intention than our non-immigrant group.

To test the moderating effects of three scenario-specific factors as proposed in Hypotheses 7 to 9, ANCOVA was conducted with voice intention as the dependent variable, the three scenario-specific factors (type of service failure, the severity of the failure, and the in-vs. out-group service provider) as the fixed independent variables while demographic variables and immigrant's ethnicity identification and their degree of acculturation served as covariates. Table 5 shows the ANCOVA results for the three sample groups across the two service contexts.

Hypothesis 7 predicted that there is less difference of voice intention for CIC than for HIC when facing outcome versus process failures. It was supported with our restaurant data; Table 5 shows that HIC reacted more strongly to outcome failures than to process

failures ($\overline{X}_{outcome}$=5.81 vs. $\overline{X}_{process}$ =5.32, P=.036) while no such differentiation was observed among CIC (P=.54). This hypothesis was not supported by our car repair data. Hypothesis 8, predicting that there is less difference of voice intention for CIC than for HIC when facing high severity failures versus low severity failures, was supported by our car repair data, but not by our restaurant data. HIC were found to react more strongly to more severe failures than CIC as the influence of severity on voice intention was significant only for HIC at significance level of .10 ($\overline{X}_{highseverty}$=6.00 vs. $\overline{X}_{lowseverity}$ =5.51, P=.064). For the restaurant data, we found, opposite to H8, that CIC actually responded more strongly to more severe failures than HIC ($\overline{X}_{highseverty}$=5.55 vs. $\overline{X}_{lowseverity}$ =4.29, P=.001). Hypothesis 9, predicting that CIC would be more likely to voice to in-group service providers than out-group providers, was supported with both data sets as we found that CIC demonstrated higher voice intention to both Chinese service providers ($\overline{X}_{ingroup}$ =5.25 vs. $\overline{X}_{outgroup}$ =4.54, P=.017 for car repair; $\overline{X}_{ingroup}$=5.36 vs. $\overline{X}_{outgroup}$ =4.91, P=.028 for restaurant) while no such group differentiation was found among HIC.

DISCUSSION

Findings and Theoretic Implications

Our primary goals were to explore the impact of immigrants' home cultures on their CCB decisions. We not only observed significant difference among HIC and CIC in their voice intentions when facing same service failures but also proposed and tested the two mechanisms through which immigrants' home cultures exert strong influence in their voice intentions. Results from our studies confirmed that consumers' value orientations influence CCB through both mediation and moderation mechanisms. More specifically, we found that HIC perceive higher AOA, higher likelihood of success and lower costs of complaints, and experience stronger negative affect than CIC. We further found that HIC react more strongly when the service failure is outcome-based and more severe than CIC. On the other hand, CIC will be more likely to voice to in-group service providers than to out-group service providers while no such group membership effects were found among HIC. The largely-supported mediation and moderation models of cultural influence proposed in this study extended the cross-cultural CCB literature.
Further, our study utilized an experiment design to manipulate scenario-specific factors and assessed the voice intention, rather than the actual behavior. Consumer actual complaint behavior could be constrained by some situational factors (Singh and Wilkes 1996), and such constraints may differ widely from one nation to another. Studying the voice intention (i.e., complaint response estimates) enables us to show that immigrant or minority consumers are NOT less willing to complain, as reported in previous studies (e.g., Cornwell et al. 1991). The observed low complaint rates could be attributed to situational constraints. As shown in Table 4, HIC are MORE willing to complain than their Anglos counterparts ($\overline{X}_{Hispanic}$=5.80 vs. $\overline{X}_{Nonimmigrants}$ =5.23, P<.001 for car repair; $\overline{X}_{Hispanic}$=5.70 vs. $\overline{X}_{Nonimmigrants}$ =4.92, P<.001 for restaurant) and CIC are as willing to complain as their Anglos counterparts.

As both CIC and HIC are the fast growing minority groups, this study provides some exploratory evidence for the need for more studies on first-generation immigrants. After controlling for acculturation and ethnicity identification (see Table 4 & 5), we found the group difference is still significant in terms of both the ending complaint intention and cognitive and emotional reactions to same service failures.

MANAGERIAL IMPLICATIONS

Encouraging complaints is a vital marketing strategy (e.g., Fornell and Wernerfelt 1987). In today's multi-cultural marketplace, how to encourage CCB may present even more challenging complexity to marketers. From our findings, non-Chinese service providers should be sensitive to CIC's unwillingness to direct voice by providing more indirect, less demanding voice choices. Policy makers and immigrant advocacy groups may need to communicate more with CIC about their rights for voicing, as CIC felt there were fewer attractive alternatives, higher complaint costs, and less likelihood of success. In dealing with HIC, all providers should be aware of more

expressive negative emotions among this group and take this factor into their service recovery strategies. Service employees should be trained to "read" HIC's emotional reactions in service failure /recovery encounters. Since HIC may only complain about severer failure and outcome-based failures and remain silent for minor and process-based ones, actions should be taken to encourage the latter as these failures could be equally detrimental to businesses in the long run.

LIMITATIONS AND FUTURE STUDIES

Despite the interesting insights achieved here, we must note a number of limitations and potential research directions. Our study was limited to one area of the U.S. and the two narrow samples. Subsequent research should compare different immigrant groups across a broader range of regions and home cultural orientations to rule out other explanations.

Although this study demonstrated the usefulness of both mediation and moderation models for explaining the cultural roles in CCB behaviors, the complexity and the large number of CCB antecedents lead us to believe that more studies should be conducted to test the two models. Finally, while CCB researchers have identified three categories of CCB actions (voice, private and third-party complaints), we only focused on voice intention. Further studies are needed to examine the cultural roles in other CCB options.

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Figure 1 Roles of Cultural Orientation in Voice Behavior Intention

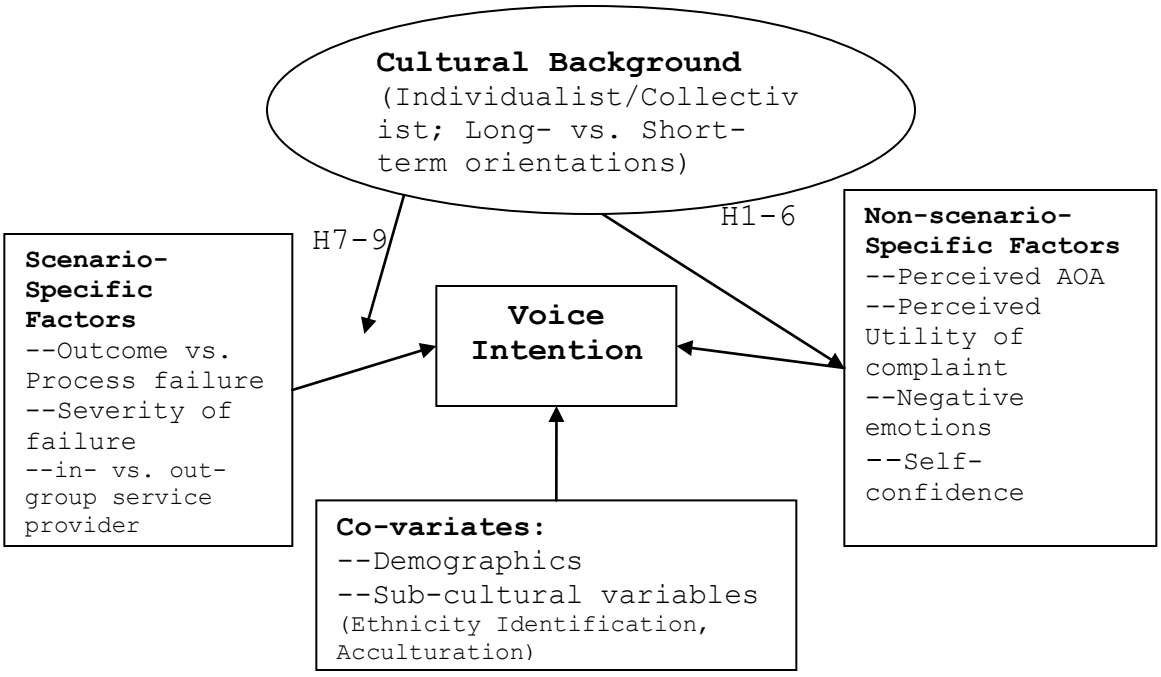

Table 1 Respondent Profiles

Demographic Variables (%)		Hispanic Immigrants (N=250)	Chinese Immigrants (N=165)	Non-immigrant Students (N=307)
Gender	Male	49.6	49.1	48.0
	Female	50.4	50.9	52.0
Age	Mean (years)	32.54	34.77	21.81
How many years of immigration	Mean (in years)	18.63	13.42	
	Median (in years)	18.0	10.0	
Education	Less than High School	24.9	6.0	
	High School	25.8	11.3	
	Some College	31.7	14.0	100
	College Graduate or Above	17.6	68.7	
Visa Status	Visiting visa (e.g., F-1)	7.4	23.5	
	Green Card	29.5	17.4	
	Citizenship	52.6	45.0	
	Others	10.5	14.1	
Income (family)	Below $25K	30.7	20.8	29.4
	$25K-$50K	36.4	26.8	19.2
	$50K-$75K	13.6	27.5	18.5
	$75K-$100K	11.0	12.8	14.7
	Above $100K	8.3	12.1	18.2

Table 2 **Measures used in the study* (*** the full list of items for all measures are available upon request)

Constructs (sample items)	***Cronbach's Alpha***		
	Hispanic Immigrants	Chinese Immigrants	Non-Immigrants
Voice Intention (Adopted from Day 1984)			
If this problem had really happened to me, I would contact the repair shop (the restaurant manager) to complain.			
Negative Emotions (six items, adopted from Stephens and Gwinner 1998)			
If this problem had really happened to me, I would feel angry (sad, upset, ashamed, scared, annoyed)	.70	.81	.79
Perceived likelihood of success of complaint (3 items, Adopted from Singh 1990b)			
Assume you reported the incident to the repair shop (the restaurant) how likely is it that the shop (the restaurant) would take appropriate action to take care of your problem.	.80	.78	.85
Perceived costs of complaint (5 items, Adopted from Day 1984)			
Complaining may take a lot of my time and effort.	.77	.71	.76
Self-confidence (5 items, adopted from Bearden, Hardesty and Rose 2001)			
I am afraid to "ask to speak to the manager."	.85	.79	.87
Attractiveness of Alternatives (2 items, Adopted from Jones, Mothersbaugh, and Beatty 2000)			
If I needed to change auto repair shops, there are other good shops to choose from.			
There are many good restaurants in my area to choose from.			
Subjective Acculturation (self-developed)			
1. I believe I have accepted most of American culture.	.79	.85	
2. I believe that I am already Americanized.			
3. I believe that I have adopted most of American cultural values.			
Objective Acculturation (adopted from Ownbey and Horridge 1997)			
1. years of immigration			
2. What language do you speak most often when you are at home (work, among friends, school)			
3. List the ethnicities of the following important people in your life. (mother, father, spouse, first, second, third best friends)			
4. How often do you travel back to your home town			
5. What is your residential status?			
****Note:** *The subjective acculturation and objective acculturation was correlate (coefficient =.20, p<.001). For the rest of the study, we adopted the subjective acculturation for data analyses.*			
Ethnicity Identification (4 items, Adopted from Appiah 2001)			
I am happy that I am a member of the ethnic group I belong to.	.71	.91	.93
Individualist / Collectivist Value (Horizontal) (8 items, Adopted from Gurhan-Canli and Maheswaran 2000)			
I often do "my own thing."	.80	.73	.75
One should live one's life independently of others.			

Table 3 *Measurement equivalence across the Hispanic and Chinese Immigrant samples*

	χ^2	df	RMSEA	CAIC	CFI	SRMR	$\Delta\chi^2$	$\Delta\chi^2$ /df	P-value
Configural invariance model	2393	1202	.060	3887	.94	.069			
Full metric invariance model	2455	1230	.060	3743	.94	.089	62	2.21	.14
Full Factor variance invariance model	2525	1265	.060	3558	.93	.124	70	2.00	.16
Full error variance invariance model	3209	1302	.073	3971	.90	.139	684	18.5	<.001
Partial error variance invariance model	2609	1293	.061	3436	.93	.126	84	3.00	.08

Table 4 Testing Hypotheses H1-6

	Non-immigrants		Chinese immigrants		Hispanic immigrants	
	Car Repair	Restaurant	Car Repair	Restaurant	Car Repair	Restaurant
Perceived AOA (H1)	5.37^b	5.72^b	4.95^a	5.05^a	5.63^b	5.62^b
Perceived likelihood of success (H2)	4.09^a	4.89^b	4.17^a	4.41^a	4.70^b	5.09^c
Perceived cost of complaint (H3)	4.09^a		4.05^a		3.77^b	
Negative emotions (H4)	3.03^b	3.09^a	3.21^a	2.94^a	3.98^c	4.10^b
Self confidence (H5)	2.93^a		3.17^a		2.99^a	
Voice intention (H6)	5.23^a	4.92^a	5.00^a	5.20^a	5.80^b	5.70^b
Individualist value	5.35^b		4.90^a		5.47^c	

Note: the mean difference comparisons across the three groups are based on multiple-group Duncan tests; two groups with the same superscript have no significant difference while different superscripts signal significant difference; the mean with a superscript of ^{a} *is smaller than* ^{b}*, which is smaller than* ^{c} *(all at .05 significance levels).*

Table 5 ANCOVA Results

Independent variables	**Car Repair (Voice Intention)**					Restaurant (Voice Intention)				
	Hispanic		Chinese		**Hypotheses**	Hispanic		Chinese		**Hypotheses**
Main Effects	**F**	***P*-value**	**F**	***P*-value**		**F**	***P*-value**	**F**	***P*-value**	
Outcome vs. process (A)	1.613	.206	2.214	.139	H7 not supported	4.468	**.036**	.370	.544	H7 supported
severity (B)	3.484	**.064**	2.048	.155	H8 Supported	.488	.486	10.587	**.001**	H8 opposite
In-vs. out-group (C)	.000	.986	5.850	**.017**	H9 Supported	.299	.585	4.929	**.028**	H9 supported
Two-Way Interactions										
AB	4.032	.046	2.457	.120		.758	.385	na	na	
AC	.004	.947	.130	.719		.076	.783	2.054	.155	
BC	.007	.933	2.701	.103		.476	.491	6.369	.013	
Co-variates										
Subjective Acculturation	1.959	.163	7.017	.009		.002	.968	2.766	.099	
Ethnicity Identification	11.407	.001	2.409	.123		27.917	.000	14.954	.000	
Gender	4.210	.042	1.494	.224		.504	.478	.233	.630	
Age	2.829	.094	2.648	.106		2.398	.123	.430	.513	
Income	.550	.459	.503	.479		.158	.691	.004	.948	
Education	.033	.857	6.454	.012		.543	.462	1.562	.214	
$\mathbf{R^2}$	17%		26.9%			18%		29.9%		

DOES THE MENTORING METAPHOR ADD VALUE BEYOND THE MARRIAGE METAPHOR IN UNDERSTANDING BUYER-SELLER RELATIONSHIPS?

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ABSTRACT

The marriage metaphor has been used to make significant contributions to our understanding of buyer-seller relationships (c.f., Dwyer, Schurr, and Oh, 1987). The resultant relationship marketing orientation has been recognized as a genuine paradigm shift for the discipline (c.f., Morgan and Hunt, 1994; Sheth and Paratiyar, 1995).

Examples of how relationship marketing has contributed to the evolution of marketing theory and research include: the recognition of distinctive phases through which relationships develop and change; the importance of mutuality, trust, information sharing, and satisfaction and commitment in relationships; and that through cooperative relationships, uncertainty can be reduced, resources can be pooled and costs divided, and problem solving can be more efficacious in the creation of value (c.f, Dwyer et al., 1987; Morgan and Hunt, 1994; Wilson, 1995).

While marriage metaphor contributions are indeed substantial, there has been increasing recognition that transfer from other potentially useful metaphor domains has not been explored (Hunt and Menon, 1995; Tynan, 1997; O'Malley and Tynan, 1999). To this point, notable weaknesses in the buyer-seller relationship literature appear to be related to the need to examine buyer-seller relationships at a more micro, individual level that allows for greater consideration of social/relational elements. Haytko (2004) observed that it is difficult for relationship participants to think in terms of interfirm relationships without thinking of interpersonal relationships as their day-to-day experience involves working closely with *individuals*. Addressing these areas is important in order to develop a more complete understanding of the role of individual level dyadic interaction in buyer-seller relationship success or failure. As is becoming increasingly clear, it is interpersonal connections that serve as the "glue" that binds firms in relationships (Hutt and Stafford, 2000; Haytko, 2004). The purpose of this study is to present a perspective that adds depth to current thinking about buyer-seller relationships by exploring a "theoretical trail" we believe to be particularly relevant – the mentoring metaphor.
This study extends existing perspectives by examining conceptual and empirical work in the mentoring literature. Specifically, this literature conceives of mentoring as a process between mentors and protégés which includes exchange behaviors associated with various stages.

Mentoring relationships have been positively related to information exchange, learning, and job satisfaction (c.f., Young and Perrewe, 2000). Aspects of mentoring identified in the literature also include dynamics related to formal and informal processes, social support, expectations and roles, commitment, power, and technical and communication competence (c.f., Roberts, 2000). We believe that the mentoring aspects of power and learning could offer new insights while aspects related to information exchange, communication, and social support will help further elaborate the dynamics of buyer-seller relationship satisfaction and commitment.

We address underdeveloped conceptual areas through an integration of theoretical and empirical work in the mentoring and business literature and propose a framework that further develops dyadic interaction between individuals in buyer-seller relationships. The proposed framework is then examined through a qualitative research methodology as described by Eisenhardt (1989), Miles and Huberman (1994), and Yin (1994**).** We use field interviews from participants representing both sides of the relational dyad and multiple organizational functions (e.g., buyers, commodity managers, supplier managers, design engineers, quality engineers, marketing managers, and customer service specialists). Many of the participants were interviewed on several occasions over an eighteen-month time span. Finally, implications of the proposed framework for theory development, future research, and managerial practice are discussed.

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ANOTHER LOOK AT POST PURCHASE DISSONANCE:

A REVIEW AND RE-CONCEPTUALIZATION

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ABSTRACT

Reflecting its managerial importance, marketing and consumer behavior textbooks continue to cover consumer cognitive dissonance after purchase under such names as cognitive dissonance, post-purchase dissonance, post-consumption dissonance, post purchase cognitive dissonance, post-purchase conflicts, post-purchase evaluations, or simply post-purchase behavior. Although there is no consensus, cognitive dissonance in marketing refers to *psychological tension in a consumer's mind that is caused by making a purchase decision.* In this paper, we will refer to this consumer behavior construct as post-purchase dissonance, or PPD in short. While consumer satisfaction/dissatisfaction (S/D) continues to dominate research on the consumer's post-purchase behavior, *post-purchase dissonance (PPD)* has steadily lost interests among consumer researchers since late 1970s. Although there may be many reasons for this lack of research interest and progress in PPD, its ambiguous, inadequate, and outdated conceptualizations and theoretical underpinnings constitute its serious weaknesses. In this paper, we critically examine post-purchase dissonance, its theoretical underpinnings and its application in the post-sales management practice, and address its deficiencies and problems both from the theoretical and managerial perspectives.

CONFUSION OF PPD AND DISSATISFACTION

Confusion of PPD with a similar, yet different construct, "dissatisfaction," is prevalent in everyday consumer vocabularies and in the literature on post-purchase consumer behavior. Textbooks frequently discuss PPD in the context of dissatisfaction, and vice versa. The conceptual distinction and the relationship between PPD and S/D in the literature are confusing and misleading. Therefore, it is important to compare and contrast PPD and S/D and to delineate unique conceptual underpinnings of PPD and its relationship to S/D to clearly establish the conceptual foundation of PPD. (We use S/D and dissatisfaction interchangeably in this paper, following the notion of satisfaction and dissatisfaction being the same construct on a continuum (Woodruff, Cadototte, and Jenkins 1983.) Let's take a product, say a DVD player. We may frequently hear a consumer saying, "I am not satisfied with this product" when she offers a reason for returning her recent purchase. However, it is unlikely that she formed a definitive evaluative judgment (i.e., dissatisfaction) in the very short time of product use, considering the wide range of product applications and its technical complexity. The time period was not long enough to ascertain quality. What the consumer meant would be that she had some doubts/anxiety about the product or was not sure whether the product would be good. A recent study documents that 95% of consumers who returned home electronic products did for reasons

other than product defects, such as remorse and difficulty in understanding the product (Lawton 2008). Researchers frequently state that PPD occurs when the consumer expectation is not positively confirmed through product experience (e.g., Oshikawa 1969). However, applying the disconfirmation paradigm to PPD is inappropriate because it is not a definitive evaluative judgment. PPD is transient thoughts and feelings arising from fragments of product experience during a brief period of time after purchase. In contrast, S/D is formed through confirmation or disconfirmation of expectations based on cumulative experiences with a product (Woodruff, Cadotte, and Jenkins 1983), which transpires beyond the early stage of product experience. PPD sets in motion when the consumer has doubts, or feels uncertain or anxious about the product due to ambiguous or negative product experience. PPD, however, does not occur when the consumer feels positive, assured, or positively confident with the product. In contrast, S/D is formed following both negative and positive product experience during the course of the consumption experience.

Despite the different points of occurrence in the consumption process as described above, the causal relationship of PPD and dissatisfaction is another area of frequent confusion in the literature. Sweeney, Soutar, and Johnson (1996) state that "*consumers who are dissatisfied after purchasing and using a product are likely to believe that they have made an incorrect purchase decision and to experience a psychologically uncomfortable state of dissonance about the purchase decision*" (p. 142). However, dissatisfaction does not cause PPD, but rather, PPD affects the formation of dissatisfaction in the later consumption stage. Clear understanding of occurrence of PPD and S/D in a temporal space as described above will help delineate its causal relationship with dissatisfaction.

PROBLEMS WITH APPLYING COGNITIVE DISSONANCE THEORY TO PPD

Another set of problems regarding conceptualizations of PPD lies in the fact that they are developed heavily based on cognitive dissonance theory. Cognitive dissonance is a state of psychological tension that arises when a person simultaneously holds two sets of inconsistent or dissonant cognitions following the act of choosing between a set of alternatives (Festinger 1957). Cognitive dissonance theory helps the marketer understand PPD by offering psychological insights into PPD. However, PPD is a consumer behavior construct that is uniquely grounded in dynamic and changing market environments. Therefore, PPD conceptualized sorely on cognitive dissonance theory is not well suited to account for the consumer's post purchase dissonance in many situations. Our critical review of conceptualizations of PPD has identified three areas of problems.

First, conceptualizations of PPD indicate that cognitive dissonance that occurs even before the decision making or purchase constitutes an important part of PPD. Psychologists early on theorized that dissonance before- and after- decision are the same because systematic evaluations occur both before- and after-decision and both create cognitive imbalance (Janis 1959). In line with this cognitive dissonance theory, consumer behavior researchers have embraced the pre-purchase dissonance in PPD (e.g., Oliver 1997; Oshikawa 1969). However, we argue that although the pre-purchase dissonance may fit a broader theoretical formulation of the cognitive

dissonance, its importance to PPD is overly emphasized. While pre-purchase conflict is relevant because it is an inherent part of the buying process, it eventually subsides by the time of purchase decision. Some dissonant thoughts may linger after purchase. However, it is axiomatic that the subsided dissonant cognitions did not have effect on the purchase decision. Therefore, their impact on the post-purchase state of mind would be inconsequential. When the consumer's initial experience with the product makes him uncomfortable, what dominates his state of mind are current doubts and uncertainty directly stemming from the actual product experience, not the thoughts and feelings that were engendered prior purchase and that, subsequent to purchase, lost their intensity. In addition, the pre-purchase conflict bears little managerial relevance. Because consumers these days make purchase decisions in a very competitive environment, there is always incongruent information due to competing brands in their pre-purchase cognitive space. Consumers already should have dealt with this inevitable state of information incongruence during the "information search" and the "evaluation of alternatives" stages of their decision making process. Finally, this consumer's pre-decisional conflict is outside the realm of marketing actions. Marketers already should have implemented various strategies to make their product more appealing, distinctive, and credible than competitors' for the consumers who are in the information search and evaluation stages.

Second, conceptualizations of PPD embrace the notion that PPD is a post-purchase and pre-consumption phenomenon. Cognitive dissonance theory indicates the post-decision dissonance is inevitable because negative aspects of the chosen alternative are dissonant with having chosen it and positive aspects of the rejected alternative are dissonant with having rejected it (Brehm 1956). Consumer behavior researchers adopted this view to conceptualize PPD (e.g., Hausknecht, Sweeny, Souter, and Johnson 1998; Oliver 1997). We argue that adopting this aspect of cognitive dissonance theory to PPD renders the PPD concept unrealistic. Although doubts and second thoughts may indeed linger in consumer's mind after purchase, such dissonant cognitions are sufficiently considered and compared prior to purchase as indicated previously. Thus, the intensity of such dissonant cognitions is already substantially weakened, and is not enough to have any tangible effect on subsequent consumption experience. Consumers may develop anxiety or uneasy feelings after purchase, which are not related to the pre-purchase conflicts. Exposure to the message/information about a new or competing brand (not the one considered before the purchase) 'after purchase but before use' may as well contribute to such psychological discomforts (e.g., ads or product evaluations). However, because such thoughts and feelings are not anchored to an actual experience with the product, they are not intense, stable, or specific. They are rather frail, transient, unstable, or ambiguous at best. Thus, consumers would have a very low level of confidence in such dissonant cognitions. It is documented that beliefs held in low confidence have little influence on attitude. (However, such thoughts and feelings that occurred after a product use would rise above the dissonant threshold.)

Furthermore, a host of factors other than the aforementioned dissonant cognitions may well contribute to the anxiety, uncertainty, and discomfort the consumer experiences 'after purchase but before use' – no prior product experience, a lack of product knowledge, and various risk factors (functional, social, financial, etc.). However, it is unlikely that such general thoughts and feelings that are not substantiated by a direct experience have any tangible impact on consumers'

ensuing product experience. Consumers are not concerned with such unsubstantiated product concerns when they can easily take the product back to the seller (to be discussed next). We also argue that the theoretical concept of cognitive dissonance during the "post-decision – pre-use period" is not meaningful from the post-sales customer relationship management perspective. That is, the time span of 'post-purchase – pre-use' is too brief to implement a post-sales customer relationship management action to deal with this transient cognitive imbalance in most situations. Moreover, purchase and consumption are taking place almost simultaneous in many situations. In addition, it is highly unlikely that consumers would be motivated to pursue any conflict reduction strategy as predicted by cognitive dissonance theory (see next) to reduce such anxieties or doubts that are not yet corroborated by actual product use.

Third, dissonance reduction strategies in the consumer behavior literature that theorize how consumers reduce PPD are heavily drawn from cognitive dissonance theory. Many of them, however, do not reflect what consumers actually do in the highly competitive, consumer-driven current market environment. According to cognitive dissonance theory, people are motivated to take actions to reduce psychological tension and discomfort to restore psychological balance (Brehm 1956; Festinger 1957). Because of its compelling relevance to the post-sales consumer behavior management, marketers have identified a number of dissonance reduction strategies. It should be noted that they were actually adapted in the sixties and seventies from psychological studies. Some of them are as listed below *(e.g. Assael 2004; Kotler and Keller 2006; Schiffman and Kanuck 2004*):

1) Adjust either existing cognition (lowering the expectation level) or performance cognition (raising the performance

perception) according to the psychological costs involved; 2) Seek supportive information about the chosen brand by

becoming receptive to information that is congruent with their choice to justify their decision; 3) Ignore the dissonant

information when dissonance stems from noticing certain disquieting features or from hearing favorable things about

other brands (e.g., in comparative ads); 4) Selectively interpret the information. For example, the consumer may

say that any brand will have an occasional lemon; 5) Attempt to convince others that he made a good choice, and

hence convince himself. Some consumers may look to known satisfied owners for reassurance; 6) Disassociate

his choice by returning the product to the seller. This option is pursed as a last resort and used rarely.

However, many dissonance reduction strategies listed above do not reflect what consumers actually do these days when they experience PPD. It should be noted that the 'return' is at the bottom of the list, and it is often not even mentioned. It was (and is still) argued that since consumers lose their leverage once a purchase is made, they were stuck with their choice, and

hence they would justify their choice. This explanation must have been credible in the sixties and seventies when considerable research on consumer PPD and its conceptualizations based on cognitive dissonance theory were advanced. Competition in the market was not very high at that time, and consumers' options after purchase were relatively limited. However, ever-increasing competition and consumer movement since have empowered consumers with a higher leverage even after purchase. Almost all companies in the U.S., including retailers, now offer liberal return policies which allow consumers to return any product for almost any reason because of competitive pressure (Bhatia 2004). Return rates for consumer electronics are 11% - 20% in 2007 and only about 5% of returns are because a product was truly defective (Lawton 2008).

This development is not necessarily confined to small ticket items. Even automobiles can be returned these days (Saranow 2006). When the threshold of returning a purchased product gets lower, the psychological costs of adjusting the performance cognition or pre-existing cognition are simply too high and resorting to the other dissonance reduction strategies described above is not practical. Also, there is a powerful theoretical explanation for why consumers increasingly resort to the "return" option when they experience PPD in this consumer-driven market. It is well documented that product represents the oldest causal attribution dimension (Folkes 1988; Jolibert and Peterson 1976). Consumers are known to attribute their product experience discrepancy to the product they tried. When consumers' initial product experience is different from what they expected, or causes doubt or anxiety, the product is likely to be the most common locus for attributing their unsettling consumption experience. Therefore, we argue that in the present intensely competitive, consumer-driven environment, the product return is becoming a dominant dissonance reduction option and other strategies are less adopted by consumers when they experience PPD.

CONCLUSION

The importance of PPD for the post purchase consumer behavior research has long been recognized in marketing. Reduction or absence of PPD is a necessary condition for the occurrence of satisfaction (Hausknecht et al. 1998; Oliver 1997). Therefore, the misunderstanding, and hence mismanagement of PPD will have potentially damaging effects on consumer satisfaction. Conceptualizations of PPD that were heavily influenced by cognitive dissonance theory in the 1960s and 1970s have not been re-evaluated despite the fact that the marketing environment has changed. It should be noted that PPD, like any consumer behavior construct, is a function of a constantly changing market environment. This paper critically evaluated PPD and the inherent limitations of cognitive dissonance theory when used to explain PPD and develop strategies to deal with it. Our position is that while cognitive dissonance theory still enriches our understanding of PPD, PPD should not be treated as cognitive dissonance theory. PPD has evolved as a unique post purchase consumer behavior construct influenced by the contemporary marketing environment. In conclusion, we present a practical and realistic conceptualization of PPD that is attuned to the current market environment and consumer behavior as reviewed in this paper:

Post-purchase dissonance (PPD) refers to a consumer's uncertain and/or anxious state of mind, a psychological imbalance that arises while the consumer uses the product for a brief period of time in the very early consumption stage. PPD is transient thoughts and feelings arising from a short product experience, which may contribute to dissatisfaction in the later consumption stage. Occurrence and intensity of PPD is influenced by such factors as the consumer's brief experience with the product, the company's post-sales activity, competitive actions, and the market environment. The nature of the product and the consumer's characteristics are also known to influence PPD. PPD leads the consumer to use alternative actions to reduce dissonance and the 'product return' is becoming a dominant action in restoring psychological balance.

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SELLING WELLNESS:

ESTABLISHING AND MAINTAINING AUTHENTICITY

FOR "NO-RESULTS" HEALTHCARE PRODUCTS

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ABSTRACT

Authenticity has been deemed the new dominate consumer purchase criterion and business imperative of today's experience economy. To what extent does perceived authenticity actually influence customer satisfaction and behavior? Given the significance and complexity attributed to authenticity in exchange, the objective of this paper is to explore the relationship between perceived authenticity and customer satisfaction within the context of wellness products and services. Toward this end, this paper explores how two sources influence perceived authenticity and subsequent customer satisfaction. In addition, we propose an empirical exploration of the concept of authenticity from the perspective of how the wellness industry can provide and leverage authenticity as a distinct competency and competitive advantage even in situations where "no-results" or "prevention" is espoused.

INTRODUCTION

Gilmore and Pine (2007) argue that authenticity is the new dominate consumer purchase criterion that emerges in today's experience economy. Consumers increasingly value authenticity in a world where the mass production and even mass-customization causes them to question the uniqueness of their daily lives (Leigh, Peters, and Shelton 2006). However, consumers' contemporary view of authenticity may vary depending on what is being evaluated and under what circumstances (Grayson, 2002; Grayson and Radan, 2004). Authenticity can refer to something real and/or original in an objective sense. Alternatively, Rose and Wood (2005) suggest that authenticity can also be described as subjective, symbolic and contextually constructed based on the extent of genuineness as compared to one's dreams, fantasies, stereotypes and expectations of an object or experience. In fact, authenticity may not only be based on the "what" is provided but also on the "who" is involved and the "how" the exchange is consummated. Thus providing an authentic marketplace offering in today's experience economy requires an understanding of a multidimensional construct slated to be a core competency and primary source of competitive advantage for many organizations.

The practical application of authenticity may be problematic despite its importance. For example, to leverage authenticity one must understand the extent to which perceived authenticity actually influences customer satisfaction and behavior? In addition, if different views of this concept are

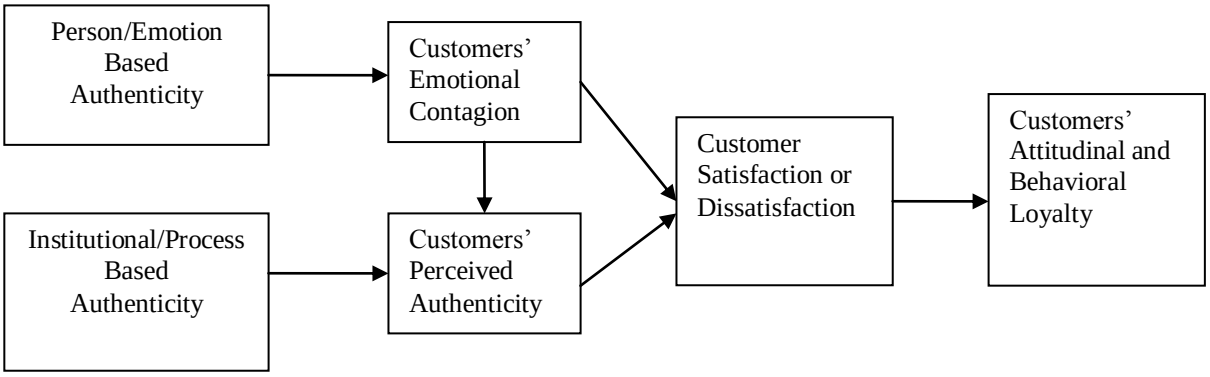
apparent when explored across time and from the sociological, psychological, and strategic business/marketing vantage points, what aspects of authenticity makes the most critical difference in customer satisfaction? Leveraging customer's perception of authenticity becomes a tricky new business imperative.

For the purpose of improving the understanding of the impact of authenticity on customer satisfaction we explore the concept of ***authenticity*** conceptually and empirically. First, its theoretical foundations are briefly discussed followed by a proposal for a case study of Nikken (www.nikken.com) – a multilevel, network marketing provider of wellness products. We argue that the wellness context is a strong test of the impact of the perceived authenticity construct given that it is an industry that is often caught up in accusations ranging from promoting "snake-oil" or fake products/services to accolades proclaiming the mass diffusion of "serious science" or "real" scientific breakthroughs. First, we explore two sources influencing perceived authenticity and posit that each source has an impact on the exchange via customer satisfaction. In addition, we further propose an empirical exploration of rendering and managing authenticity with implications for future marketing research and practice.

BASES OF PERCEIVED AUTHENTICITY

Two sources of perceived authenticity is presented based on a review of the authenticity literature found in various disciplines such as psychology (Collishaw, Dyer, and Boies, 2008), social psychology (Sloan 2007), and tourism marketing (Kolar and Zabkar 2007). From this interdisciplinary perspective, authenticity is defined here as perceived genuineness of emotional expression, process and/or experience. We propose that there are two important sources for perceived authenticity and perceived authenticity is an antecedent to customers' attitudinal and behavioral loyalty via emotional contagion and customer satisfaction (Figure 1). Our model is similar to that proposed by Mary Ann Collishaw and her colleagues in their study of the authenticity of fitness instructors' emotional displays and its impact on client satisfaction (Collishaw, Dyer, and Boies, 2008, page 31).

Figure 1: Two Sources Influencing Perceived Authenticity



The bases of perceived authenticity are as follows: (1) person/emotion-based authenticity, where authenticity is tied to personal attributes of the exchange participants and (2) institutional/process based authenticity, where authenticity is related to past, present, or expected exchange value or benefit inherent in the product, service, or experience as designed by the marketer. Next, both sources of authenticity will be discussed in turn.

Person/Emotion-Based Authenticity

It is generally assumed that appropriate, authentic emotional expression on the part of employees will create satisfaction and loyalty among customers via emotional contagion and the employee satisfaction-customer satisfaction linkages (Collishaw, Dyer, and Boies, 2008). However, there is a paucity of research on whether customer can detect differences between authentic and fake emotional displays. In the stream of research related to emotional authenticity one fines the term authenticity defined as the extent to which emotion expressed by employees is genuinely felt (Collishaw, Dyer, and Boies, 2008). In addition, the emotional authenticity research suggests that an employees' positive emotional display is linked to customer satisfaction via a multi-step process of emotional contagion. Emotional contagion occurs when a person mimics a displayed emotion of another. A customers' positive emotional state may be adopted from an employees' genuine smile or perception of the employee's positive state, leading to a pleasant experience and feelings of satisfaction with the employee, service or organization.

Grayson (1998) examined how the duration of the interaction impacted customer response to positive authentic emotional expressions. The link between authenticity and customer evaluations was explored using an audio-taped simulation of hotel employees' emotional expression. Participants' evaluation of the service encounter was found to be most favorable when there was an authentic positive emotional display. However, for one-time business transaction authenticity had no effect on customer evaluation of the hotel encounter. Research supports the link between employee satisfaction and customer satisfaction finding that satisfied employees are more likely to engage in behaviors fostering positive attitudes amongst customers such as courtesy and conscientiousness. Our propositions follow:

P1: Person/Emotional based authenticity will have a direct positive relationship to customer emotional contagion

P2: Customer's emotional contagion will be positively related to customer satisfaction.

P3: Customer's emotional contagion will be positively related to customer's perceived authenticity.

P4: Customer's perceived authenticity will be positively related to customer satisfaction.

Institutional/Process-Based Authenticity

Gilmore and Pine (2007) define authenticity as conforming to self-image (p.5). Customers will purchase products and services they are "real" according to their own self-concepts and definitions of real. Here we return to the idea that authenticity may not only be based on the "who is involved" but also on "what" is provided and the "how" the exchange is consummated. For example, in the context of the consumption of "reality television" Rose and Wood (2005) advocate that authenticity is in the eyes of the beholder. Inherent in the notion of consumers as producers of meaning and co-creators of products or services, authenticity arises out of the process of co-creation of what is consumed and is thus deem real in comparison to things manufactured in absentia.

They provide two standards for evaluating the authenticity of every commodity, good, service, experience or transformation offered in the marketplace from an institutional or process-based standpoint. Simply put, they argue that to render authenticity in business, companies must evaluate authenticity in a self-directed relationship between a company and its output as depicted in a real/fake matrix (Figure 2). This first standard begets the question is the offering true to what the company espouses to produce as per its mission. The second standard describes the other-focused relation between a company and its customer (e.g., is the offering what the company says it is and not false to any of its customers). The combination of answers results in a two-by-two matrix that forms a mental model and a prescription for rendering authenticity for any marketplace offering. Each mode of authenticity represents a means by which customers can perceive various offerings as real or unreal by design.

Figure 2 Gilmore and Pine (2007) Real/Fake Matrix

Is what it says it is	REAL FAKE NBA Store – is a store filled with NBA merchandise but no "dunking" allowed sign affixed on the backboard of a basketball goal	REAL REAL ESPN Zone – more than a sports bar and grill offering all things ESPN including skyboxes and a screening room
Is not what it says it is	FAKE FAKE Nike town – no appearance of a town or anything to do athletically	FAKE REAL Dave & Buster's – lack of specificity of offering allows restaurant and arcade to offer virtual games with food
	Is not true to Itself	**Is true to Itself**

Gilmore and Pine (2007) provide a detailed assessment process for mapping marketplace offerings on this grid and also provides guidance for implementing a business's choice of authenticity. Admittedly, they present a cutting edge perspective on authenticity. We propose an empirical study of wellness products to combine both the traditional authenticity research and this new view of authenticity. We next discuss the research design to explore a company's offering based on the Gilmore and Pine's typology and assess customer satisfaction based on this institutional/process based authenticity.

EMPIRICAL EXPLORATION OF AUTHENTICITY

A research design is proposed to explore the relationship between customer satisfaction and authenticity in the context of wellness marketing. There is growing evidence that focusing holistically on wellness can reduce health care costs by emphasizing prevention over treatment. Employers support the wellness industry by promoting wellness at work to cut costs, reduce stress, increase productivity, and reduce absenteeism. Consumers are demanding things that make them feel healthier both at home and at work. Yet, some companies in the wellness industry are faced with the challenge of maintaining authenticity when instead of following the traditional approach of Western medicine that concentrates on curing disease, wellness emphasizes prevention, avoiding illness rather than curing it. Preventative wellness suggests that the illness is avoided thus the results of the product or service is, as hoped for, a non-event or no results. As a result the concept of authenticity seems particularly interesting for the marketing of preventative medicine or wellness.

Nikken is wellness company with a published mission to not merely sell a product or service but to offer people everywhere an improved way of living (www.nikken.com). They espouse to concentrate on preventing or avoiding illness rather than curing it. The Nikken vision rests on what they call 5 pillars of health — Healthy Body, Mind, Family, Society and Finances. They support balancing all of these areas to produce a healthier and satisfying lifestyle. On their website you can find product information, photos, and testimonials regarding products such as a sleep system and a magnetic water cleaning system. In addition they sell nutritional products ranging from traditional vitamins to breakthrough bone support products.

Nikken employs independent business consultants to deliver their products. Anecdotal evidence suggests that these consultants believe in the products and would classify them as Real/Real. We propose a study using these independent business consultants to assess the authenticity from the institutional/process position using the following Gilmore and Pine (2007) elemental questions forming an inventory for rendering authenticity:

1. Assigned names – Who do you call yourself?
2. Expressed Statements – what do you articulate you are?
3. Established places – Where and when are you encountered?
4. Declared motivations – Why do you say you are in business?
5. Displayed appearances – How do you show what you are?

We would also sample their customers to assess authenticity from a person/emotional view. We can ask questions related to the customers positive affect, satisfaction, and attitudinal and behavioral loyalty based on interactions with the independent business consultant.

A research design that explores both the person/emotion based aspects of authenticity and the institutional/process based aspects of authenticity can be insightful for understanding the practical application of authenticity. Leveraging customer's perception of authenticity becomes a tricky new business imperative. Exploring multiple aspects of authenticity simultaneously can better inform our understanding of the nature of authenticity and its impact on customer satisfaction.

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THE ROLE OF CONSUMER PARTICIPATION IN USING ONLINE RECOMMENDATION AGENTS: SATISFACTION, TRUST, AND PURCHASE INTENTIONS

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BRIEF ABSTRACT

Recommendation agents are gaining greater importance in today's online shopping environment. The extant literature offers many insights; however, the role of consumer participation in using online recommendation agents is largely ignored. Drawing upon existing research on recommendation agents and offline research on customer participation, satisfaction, and trust, we build relevant propositions to address this gap in the literature. Specifically, we propose that consumer participation in using recommendation agents will strongly influence purchase intentions through the mediating effects of satisfaction and trust, and we discuss the implications of this proposed conceptual model.

EXTENDED ABSTRACT

Today's online shopping environment empowers consumers by providing fun, control, and freedom (Wolfinbarger and Gilly 2001). However, the complexity and enormous amount of information on the Internet also challenge consumers' limited information processing capacities (Dabholkar 2006; West et al. 1999). Consequently, many marketers are making huge investments in equipping their online stores with recommendation agent technology. As an example, eBay bought Shopping.com, a comparison shopping Web site with high-end recommendation agent technology, for $620 million (Economist Report 2005). With the aid of recommendation agent technology, marketers hope to enhance consumers' online shopping experiences, satisfy them, and ultimately build trust and improve profitability.

Recommendation agents are based on software technology designed to understand consumers' preferences and make recommendations accordingly to improve consumers' information search and decision making processes (Maes, Guttman, and Moukas 1999). These online agents serve as an interface for marketers to accumulate knowledge about their customers through dialogues with individual consumers (Ariely, Lynch, and Aparicio 2004), or by simply capturing online browsing behavior. For example, some recommendation agents (e.g., www.myproductadvisor.com) enable consumers to actively participate by asking questions that require input from consumers, whereas others (e.g., www.amazon.com) simply make

recommendations such as "People who buy product A also buy product B," which leave little room for customer participation.

Existing research into recommendation agents mainly focuses on two research streams. One research stream examines the effectiveness of computer algorithms in making recommendations and discusses the advantages and disadvantage of different algorithms (e.g., Ansari, Essegaier, and Kohli 2000; Ariely, Lynch, and Aparicio 2004). The other research stream focuses on the impact of using recommendation agents on consumers' search efforts and decision qualities and finds that they reduce search effort and improve decisions (e.g., Häubl and Trifts 2000; Todd and Benbasat 1992, 2000).

Both research streams provide interesting insights into the study of recommendation agents. However, the role of consumer participation in using recommendation agents is largely ignored. Specifically, the questions of how consumer participation influences satisfaction with and trust in recommendation agents are left unanswered. Furthermore, the issue of whether consumer participation ultimately affects purchase intentions based on recommendations offered by these agents is also left open. These gaps are surprising, given the relevance of consumer participation in offline research over a long period of time (e.g., Bateson 1985; Bendapudi and Leone 2003; Lovelock and Young 1979) and the important role assigned to customer participation in value co-creation (e.g., Prahalad and Ramaswamy 2004; Vargo and Lush 2004). The purpose of this paper is to address these gaps by exploring the relationships between consumer participation in using recommendation agents and consumer satisfaction, trust, and purchase intentions based on recommendations.

Consumer Participation, Satisfaction, and Purchase Intentions

Just as customers can participate in service delivery in offline contexts (e.g., Bateson 1985; Bendapudi and Leone 2003; Lovelock and Young 1979), they can participate in using online recommendation agents. For example, participation by consumers may include providing information on their likes or dislikes related to product attributes or the price range that they are willing to accept. Such information goes far beyond simply observing browsing behavior which may be driven by a large number of unpredictable factors. Recommendation agents that allow customer participation can capture consumers' preference structures by initiating personalized, two-way dialogues with individual consumers. The extent to which agents understand a given consumer's product preferences depends on the quality and quantity of the information provided by consumers during the dialogue, which in turn largely depends on the technical design of the agent as well as the dialogue initiation process.

Research in offline contexts suggests that customer participation increases perceptions of service quality and customer satisfaction. For example, Kelly, Skinner, and Donnelley (1992) found that customer participation is directly related to customer satisfaction because customers can contribute to the service quality they receive. Also, Cermak, File, and Prince (1994) found that increased participation was positively related to service quality and customer satisfaction with nonprofit organizations and legal or financial firms. Similarly, Bitner, Faranda, Hubbert, and

Zeithaml (1997) report that customer participation led to satisfaction with the service provider for different types of health related services. Extending these research findings to the context of online recommendation agents, it is proposed that:

P1: Consumer participation in using an online recommendation agent will have a positive effect on satisfaction with the recommendation agent.

Behavioral responses such as purchase intentions and positive word-of-mouth have been shown to be consequences of customer satisfaction in many offline studies (e.g., Dabholkar, Shepherd, and Thorpe 2000; Oliver 1980). Even in the online context, Yoon (2002) found that customer satisfaction with two shopping Web sites positively affected intentions to purchase online. The relationship has also found support in studies on customer participation in offline contexts. For example, Cermak, File, and Prince (1994) found that higher level of customer satisfaction led to greater likelihood of behavioral intentions such as encouraging others to set up new trusts with nonprofit organizations or to sign long term contract with legal or financial firms. Similarly, Bitner, Faranda, Hubbert, and Zeithaml (1997) suggested that customer satisfaction with the Weight Watchers program was a strong predictor of intention to continue with the weight loss program. Extending these findings to the online recommendation agent context, it is proposed that:

P2: Satisfaction with an online recommendation agent will have a positive effect on intention to purchase based on the agent's recommendations.

Consumer Participation, Trust, and Purchase Intentions

Trust is a salient factor of concern in online shopping environment (e.g., Hoffman, Novak, and Peralta 1999). This is particularly true for using recommendation agents and online decision aids (Dabholkar 2006), as consumers may wonder whether recommendation agents truly represent their benefits rather than the vendors'. Offline research provides empirical evidence that customer participation improves trust. For example, Ouschan and Sweeney (2006) found that patients were more trusting of physicians who empowered them by involving them to a greater extent in patient-physician consultations. Similarly, when consumers participate in dialogues with recommendation agents, they are likely to believe that the online marketer cares about their input and they will therefore develop greater trust in the recommendation agent. It is also possible that having provided information, consumers may better understand how and why agents arrive at the recommendations they do, which in turn, may build consumer trust in the agents that allow such participation. Thus, it is proposed that:

P3: Consumer participation in using an online recommendation agent will have a positive effect on trust in the recommendation agent.

Previous research in online contexts reveals that trust is an important antecedent of purchase intentions on the Internet (e.g., Bart et al. 2005; Schlosser, White, and Lloyd 2006). For instance, Pavlou (2003) found that trust in an online retailer was the most influential predictor of consumer intentions to purchase from the retailer. Furthermore, although online consumer participation has been ignored and satisfaction with recommendation agents has not yet been empirically examined, the relevance of trust has already been explored in studies on online recommendation agents. Wang and Benbasat (2005) found that trust had a positive effect on consumer intentions to adopt recommendation agents. Also, Komiak and Benbasat (2006) confirmed that trust increased consumer intentions to use recommendation agents both as a decision aid that assists consumers in their purchase decisions and as a delegate that makes purchase decisions on behalf of consumers. Given this background, it is proposed that:

> **P4:** Trust in an online recommendation agent will have a positive effect on intention to purchase based on the agent's recommendations.

CONCLUDING THOUGHTS

Our conceptual model addresses a surprising gap in the literature by highlighting the role of consumer participation in using recommendation agents and its influence on purchase intentions through the mediating effects of satisfaction and trust. The theoretical contribution of this model is to extend offline research on consumer participation to the online context, in order to better understand the drivers of online satisfaction and trust, as well as of online purchase intentions.

Future research could empirically test these propositions, possibly by inviting participants to use recommendation agents that allow consumer participation versus agents that do not, and studying whether such participation leads to greater satisfaction and trust, and ultimately to greater likelihood of purchasing based on the recommendations. If the model is supported empirically, the implications for online marketers are to build recommendation agents with technological features that offer more room for customer participation.

The link between satisfaction and trust has been widely substantiated in offline contexts (Dwyer, Schurr, and Oh 1987; Garbarino and Johnson 1999), but we did not include it in the model as it has not been tested in offline research on consumer participation. Therefore, another future research avenue is to include this link and examine whether satisfaction with a recommendation agent increases trust in the agent.

Finally, although the technical design of a recommendation agent as well as the dialogue initiation process might largely determine the extent of consumer participation in using recommendation agents, a variety of consumer characteristics and situational factors, as well as product involvement, may also play a role in motivating consumers to participate in dialogues

with recommendation agents. Therefore, future research could investigate a full range of the antecedents of customer participation in using recommendation agents.

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WHY DO COMPLAINANTS EXPRESS THEIR DISSATISFACTION ONLINE?

DETERMINANTS EXPLAINING THE PROPENSITY TO COMPLAIN ONLINE

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ABSTRACT

Online complaining is said to be an efficient and convenient way of handling complaints for both customers and companies. But up to now, complaint channel choice and online complaining behaviour have received only limited attention from both scholars and practitioners. Why consumers use a particular channel for expressing their dissatisfaction has to be found out yet. Based on the determinants of the propensity to complain and the determinants of the propensity to use the e-channel, a conceptual framework identifying the determinants of the propensity to complain online is developed in this paper. It will contribute to explaining online consumer complaining behaviour as well as developing an adequate complaint channel design, which enables customer care managers to influence complaint channel choice.

INTRODUCTION

Long before the emergence of the World Wide Web and electronic commerce, Hirschman (1970) suggested that "[t]he creation of effective new channels through which consumers can communicate their dissatisfaction holds one important lesson. […T]he propensity to resort to the voice option depends also on the general readiness of a population to complain and on the *invention* of such institutions and mechanisms as can communicate complaints cheaply and effectively." (Hirschman 1970, p.43) There has not been much research on the impact of complaint channels nor on complaint channel choice, but the few studies all indicate that the unavailability of an easy-to-use complaint channel may inhibit complaining considerably (Buttle and Thomas 2003; Cho, Im and Hiltz 2003; Ford, Scheffman and Weiskopf 2004; Robertson and Shaw 2005). When a dissatisfied consumer has difficulties in determining the appropriate complaint channel, the propensity to complain is reduced (Ford, et al. 2004). Businesses which strive to keep their customers loyal and satisfied must therefore offer attractive and stimulating complaint channels in order to encourage customers to express their dissatisfaction.

With online complaining (OC), such a new easy-to-use and highly available complaint channel may have turned up (Tyrrell and Woods 2005). Supposed to be an efficient and convenient way of handling complaints for both customers and companies, OC may offer a possibility to reduce the unfavourably high number of unvoiced complaints (Feinberg and Kaam 2002; Tyrrell and Woods 2005). It may appeal to customers who formerly renounced complaining.

Up to date, there is only limited knowledge on OC available, as research has mostly focused on consumer complaining behaviour (CCB) without considering channelspecific behaviour. The results of the few studies on OC, however, suggest that OC creates customer benefits, e.g. by being more convenient and less time-consuming, as it can be done everywhere and anytime (Strauss and Pesce 1998; Tyrrell and Woods 2005). It is also said considerably to reduce the complaint cost for customers– under provision that there is an easy to find feedback form or an e-mail address (Hong and Lee 2005). The psychological costs are lower than in a face-to-face or telephone interaction because immediate distressing reactions can be avoided (Robertson and Shaw 2005). Thus, OC should stimulate customer complaints.

Given the promising potential of OC, it is crucial to know for companies whether their customers take to OC resp. which groups of customers appreciate why complaining online. There is no point in offering an elaborate OC solution if customers are not inclined to complain online. Unless OC is appreciated and used by customers, the expensive investments in infrastructure, IT, and human resources would be a complete waste. On the other hand, if a significant increase of customer benefits can be achieved, it is strongly advisable to expand e-services. For a rational decision whether to introduce OC or not and in which form, companies must thus know why consumers complain online. This paper will develop and dicuss a conceptual framework outlining the determinants of the propensity to complain; thus make a theoretical contribution to explaining online consumer complaining behaviour (OCCB) and offer preliminary managerial decision support for OC services.

LITERATURE REVIEW

Examining why customers complain online involves analysing the determinants of both the propensity to complain (CCB determinants) as well as the propensity to choose the e-channel (ECC determinants). In a later section of this paper, these determinants will be merged to form a conceptual framework explaining the propensity to complain online.

Determinants for Complaining to the Company

A major part of CCB research has been dedicated to CCB determinants, i.e. to find out which factors influence the propensity to complain to a company (Boote 1998; Day, Grabicke, Schaetzle and Staubach 1981; Morel, Poiesz and Wilke 1997). This construct can be defined as a customer's inclination and intention to complain to the company following a critical incident causing dissatisfaction (Broadbridge and Marshall 1995; Juhl, Thogersen and Poulsen 2006). It is a latent construct which manifests itself in the complaint to the company. For explaining the propensity to complain, numerous antecedents are said to be relevant (Volkov 2004). But up to now, a comprehensive model of CCB determinants has not been developed (East 1996; Morel, et al. 1997). Instead, most studies have focused on selected determinants. As a result, empirical evidence is (partly) contradictory. This may also be due to the different research designs and research objects on which the studies are based.

CCB Determinants in the Dimension Critical Incident

The core entity for explaining the propensity to complain is the critical incident. The more manifest and severe a problem is, the higher is the propensity to complain (Levesque and McDougall 2000; Stauss and Seidel 2004). Most researchers also agree that product characteristics play a crucial role (Broadbridge and Marshall 1995; Shuptrine and Wenglorz 1981). Over different product categories, a significant variation in the rate of voiced complaints has been found by several studies (Shuptrine and Wenglorz 1981; Singh 1990). In particular powerful product characteristics are product price, and depending on that, the importance and perceived risk of the product.

Also cost-benefit evaluation is a key determinant for the decision whether to complain or not (Cho, et al. 2003; Crié 2003; Day, et al. 1981; Kolodinsky 1995; Richins 1980). The underlying assumption is that consumers only complain if they expect to get some benefits which will be greater than the perceived costs. Cost-benefit evaluations are strongly influenced by the perceived probability of success of the complaint. Regardless of how great the benefits might be, consumers complain only if they believe that their complaints will be successful (Blodgett and Granbois 1992; Bolfing 1989; Hirschman 1970; Richins 1983a; Singh 1990).

Perceived probability of success is influenced by ease of use and the availability of complaint channels. Both reduce complaint costs and signal consumers that their complaint is welcome, which is translated by consumers into a higher probability of success. Though there is only limited research on complaint channels, let alone channel specific CCB, authors agree that the available complaint channels influence the propensity to complain directly (Bearden and Mason 1984; Day, et al. 1981; Ford, et al. 2004; Homburg and Fürst 2007).

CCB Determinants in the Dimensions Customer and Company

Also the two actors of the situation, seller and customer, have to be taken into account. The image of the company concerning customer care can strongly influence a complaint's perceived probability of success (Blodgett, Wakefield and Barnes 1995). If the company is renowned for ignoring any customer feedback, consumers are not very likely to voice their dissatisfaction to the company. Additionally, the type of customer relationship can influence the propensity to complain (Crié 2003; Hess, Ganesan and Klein 2003; Mattila 2001).

Yet, depending on their personality, some customers are more likely to complain than others, regardless of the situation. The attitude towards companies in general as well as the attitude towards complaining in particular determines how successful consumers think their complaints will be (Blodgett, et al. 1995; Blodgett and Anderson 2000; Singh 1990). Knowledge concerning consumer rights is also crucial (East 1996; Kolodinsky 1995; Singh 1990). First, informed customers know what they can claim. But they will also have more self-confidence and higher assertiveness both of which are CCB determinants as well (Bolfing 1989; Fornell and Westbrook 1979; Kolodinsky 1995; Richins 1983b; Singh 1990; Susskind 2000).

CCB Determinants in the Dimension Environment

Individual behaviour cannot occur independently of the context the person is living in (Malafi 1991). Therefore, contextual factors have to be taken into account. With regard to CCB, a relevant determinant is the market on which a defective product is traded (Crié 2003; Fornell and Didow 1980; Singh and Wilkes 1996). Its structure and competitiveness determine the availability as well as the attractivity of complaint responses (Fornell and Didow 1980; Maute and Forrester Jr. 1993; Singh and Wilkes 1996).

Regardless of the product and the respective trading conditions, customers all over the world are dissatisfied. However, the way they deal with their dissatisfaction varies from culture to culture (Au, Hui and Kwok 2001; Day, et al. 1981; Huang 1994; Liu, Watkins and Yi 1997; Watkins and Liu 1996). Given that complaining is an observable, social activity, also social influence, e.g. within a peer group, can have an effect on the propensity to complain (Goodwin and Spiggle 1989; Mattila and Patterson 2004).

ECC DETERMINANTS

Depending on the discipline, the term "channel" is understood quite differently. In business administration, channels are often defined as means of communication, transaction, and / or distribution (Kiang, Raghu and Shang 2000; Li, Kuo and Russell 1999; Peterson, Balasubramanian and Bronnenberg 1997). In the context of this research, only the communication function is relevant. Analysed from a customer perspective, the main part of the complaining process consists of communication (Garrett, Meyers and Camey 1991; Stauss and Seidel 2004). A physical distribution over the e-channel is not possible; therefore the online channel can exclusively be used for communication, not for distribution tasks (except for a digital product). In a general e-service context, Rust and Lemon (2001, p.86) observe: "The Internet is built upon this concept of information service. By its very nature, the Internet is a network that permits the interchange of information (at its very core, in zeroes and ones)." Consequently, channel here is defined as a medium which transmits the signal from the sender to the receiver (Shannon and Weaver 1998). Accordingly, a complaint channel is defined as a medium that allows dissatisfied customers to express their dissatisfaction to the company.

ECC Determinants in the Dimension Channel

Each channel varies in its manifestation of the characteristics presented above. In organisational communications research, the cues filtered out perspective explains channel choice predominantly with these channel features, e.g. richness (Flanagin and Metzger 2001). The richer a medium is, the better it can support the process of finding a shared understanding (Daft, Lengel and Treviño 1987). Considering computer-mediated communication (CMC) as lean, they suggest that it is highly challenging to resolve differences with online communication and reach a shared understanding. The classification of e-mail and webform as rather lean means of communication

still holds true today. These two types of CMC, both of which are predominant nowadays, are less suitable for messages with a high equivocality because they are deficient in providing discussion and social support.

Using a channel always entails channel specific costs and benefits. For ECC, three types of costs have to be considered: Ease of use refers to how effortless a user can communicate online (based on Davis 1989). The higher ease of use is, the less time and effort is required for using a channel. Closely related is learning effort / compatibility (Dholakia, Zhao and Dholakia 2005). If ease of use is high, then the learning effort required to use the technology in question is low and vice versa (de Ruyter, Wetzels and Kleijnen 2001). This type of cost is mainly important in an early stage; with growing experience its effect diminishes (Venkatesh, Morris, Davis and Davis 2003). Finally, the psychological cost of using a channel has to be taken into account. CMC seems to entail less psychological cost than other channels with a higher social presence because a direct confrontation can be avoided (Kelly and Keaten 2007). Consequently, CMC will be particularly attractive for shy and reticent persons.

As well as costs, benefits offered by a channel are an important channel choice determinant (Cheung, Zhu, Kwong, Chan and Limayem 2003; Devaraj, Fan and Kohli 2002; Li, et al. 1999; Prins and Verhoef 2007; Soopramanien and Robertson 2007; Walker and Johnson 2006). Numerous researchers found convenience, and in particular time savings, to be an important benefit of the e-channel (Ahuja, Gupta and Raman 2003; Chen, Gillenson and Sherrell 2002; Meuter, Ostrom, Bitner and Roundtree 2003; Soopramanien and Robertson 2007). The second crucial aspect is ubiquity. Owing to the asynchronous communication, the e-channel enables customers to communicate online anytime (Kiang, et al. 2000; Meuter, et al. 2003). There are no restricting opening hours. In addition, the lack of physical presence also allows avoiding travel costs (Walker and Johnson 2006).

Another potential benefit of the e-channel is control (Kayany, Wotring and Forrest 1996; van Dijk, Minocha and Laing 2007). The better senders can control how they communicate and whether they achieve the communication goal they ensue, the better they rate the channel (van Dijk, et al. 2007). Furthermore, the e-channel enables communicators to decide when they send their messages (Kayany, et al. 1996; van Dijk, et al. 2007; Westmyer, DiCioccio and Rubin 1998). It is therefore possible to re-read and re-write it as often as one likes. Moreover, due to the asynchronous nature of e-mail and web-forms, an immediate answer is not required, thus allowing careful considerations about the reply. But it also implies a trade-off between the desire for control and the desire for human contact. While offering better control, CMC excludes direct human contact. Additionally, a higher personal contribution is required; In the case of complaining, customers have to key in their complaints on their own. If they went to a point of sale, they could just tell an employee how dissatisfied they were.

ECC Determinants in the Dimension Consumer

At first, Internet users were mainly young males with both high income and education (Bellman, Lohse and Johnson 1999). With the progressing diffusion of Internet, this has been changing. The Internet population becomes more and more similar to the general population. But even today, there is still empirical evidence for the influence of age, gender, income, and education on e-channel use (Pew Internet and American Life Project 2007).

The influence of personality traits on ECC has been reported by many studies (Balasubramanian, Raghunathan and Mahajan 2005; Dholakia, et al. 2005; Goby 2006; Treviño, Webster and Stein 2000; Walker and Johnson 2006). A basic ECC determinant is the attitude towards new technologies in general and towards the e-channel in particular (Chen, et al. 2002; Curran, Meuter and Surprenant 2003; Lim and Dubinsky 2005). Actual experience with the e-channel, the beliefs about Internet skills (self-efficacy) as well as actual abilities (Internet literacy) also influence the propensity to use the e-channel (Frambach, Roest and Krishnan 2007; King and Xia 1997; Shim, Eastlick, Lotz and Warrington 2001; Venkatesh, et al. 2003; Walker and Johnson 2006).

Another ECC determinant is the basic channel preference of a customer (Devaraj, et al. 2002). The characteristics of a channel may or may not appeal to communicators. Many people are said to favour face-to-face interactions because they consider it as more personal (Westmyer, et al. 1998). In the context of online communication, low preference for personal interaction is positively related to the intention to use the e-channel (Walker and Johnson 2005). The underlying assumption here is that CMC cannot (yet) offer the same quality of interaction with respect to humanness as a face-to-face encounter can (Walker and Johnson 2005). Text based CMC is said to be less personal than other channels. Therefore, it would appear that it is less suitable for communicating content requiring a high degree of personal empathy. CMC may be perceived as too distant and thus fail to show adequate concern. On the other hand, the share of shy people is pretty high in western societies (Kelly and Keaten 2007; Roberts, Smith and Pollock 2000). This would make a case for using CMC. Some people actually prefer online communication because it eliminates human interaction (Curran, et al. 2003; Dabholkar and Bagozzi 2002).

ECC Determinants in the Dimension Situation

Not only channel and user characteristics are decisive for e-channel use, also the situation has to be taken into account (Kayany, et al. 1996; Treviño, et al. 2000; van Dijk, et al. 2007; Walker and Johnson 2006). In some situations, customers may not have an alternative, e.g. because their working hours do not allow to go to a point of sale or contacting a call center (Walker and Johnson 2006). Thus, consumers must choose another channel than they would have had without the situational constraint (van Dijk, et al. 2007). Even persons who basically prefer face-to-face encounters may regularly use the e-channel (Walker and Johnson 2005).

Moreover, the communication purpose is relevant for media choice (Kayany, et al. 1996; Walker and Johnson 2006; Westmyer, et al. 1998). Depending on this purpose, different needs may be salient and hence a different medium is chosen. As far as complaining is concerned, customers intending to seek redress seem to prefer synchronous channels, whereas for venting, rather asynchronous channels are used (Mattila and Wirtz 2004).

Due to the varying nature of products the communication is about, communication purposes may differ, too. Thus, the product influences channel choice (Balasubramanian, et al. 2005; Frambach, et al. 2007; van Dijk, et al. 2007). Like communication purposes, product characteristics have to correspond to a certain extent to channel properties. Against a cost-benefit background, investing in an expensive communication channel for a high involvement product is worth it. Typically, these products are rather expensive. For inexpensive low involvement products, which are not that important to customers, the success of the communication is not vital. Accordingly, customers will choose a channel with low costs, e.g. the e-channel, even if the perceived probability of success is lower.

An important component of outcome expectancy is the degree to which risks are attributed to the use of Internet (Devaraj, et al. 2002; Soopramanien and Robertson 2007; van Dijk, et al. 2007; Walker and Johnson 2006). Even if the e-channel's cost-benefit ratio and the perceived probability of success are good, customers may refrain from communicating online because they perceive the risks to be too great (Walker and Johnson 2006).

Also the company's reputation can influence channel choice (de Ruyter, et al. 2001). Following signalling theory, the image of the company can be understood as a signal indicating the level of quality (de Ruyter, et al. 2001). If customers think the company either does not want to or cannot deal with Internet communication properly, a low probability of success is attributed to CMC. Accordingly, communicators will probably invest nothing at all or only a very limited amount by choosing a rather inexpensive means of communication.

Finally, media choice is determined by the communication channels a company has decided to offer (and promote). Jäckle (2006) reports that customers from eBay mainly use e-mail to get in touch with the company, while customers from Dell predominantly use phone. He explains this difference by the company-specific stimulation of communication channels.

ECC Determinants in the Dimension Environment

Given that individual consumer behaviour is always embedded in a social context, social influence has to be considered as ECC determinant (Flanagin and Metzger 2001; Kayany, et al. 1996; Treviño, et al. 2000). Usually two types of social influence are distinguished (Bhattacherjee 2000; Karahanna, Straub and Chervany 1999). Informational influence encompasses objective information that is acquired from external sources such as mass media, expert reports or peer experience (Karahanna, et al. 1999). In contrast to normative influence, this type is devoid of social pressure. Whereas normative influence pertains to the influence of significant others, e.g. friends or family (Bhattacherjee 2000). Individuals highly susceptible to

the influence of significant others will act based on what (they expect that) others think about their using the new communication channel (Venkatesh, et al. 2003).

WHY DO CONSUMERS COMPLAIN ONLINE? A CONCEPTUAL FRAMEWORK

Based on the CCB and ECC determinants, a conceptual framework explaining the propensity to complain online can now be developed (see Figure 3-1). The determinants of OCCB are grouped in five dimensions (critical incident, customer, situation, company, and environment) and will be discussed in the following sections.

OCCB DETERMINANTS IN THE DIMENSION CRITICAL INCIDENT

Without a critical incident causing dissatisfaction, there is no legitimate complaining. Important determinants that (in) directly influence the propensity to complain online in this dimension are the nature of the critical incident, the product causing the critical incident, the cost-benefit evaluation and – closely related - the probability of success.

Nature of the Critical Incident

The nature of the critical incident influences only indirectly complaint channel choice (with exception of importance / severity). For the type of failure and the attribution of blame, it is mainly relevant whether the product in question is bought online or offline (Cho, et al. 2003). It would appear that consumers buying online complain more often by means of CMC than offline buyers because they do not have to switch channel. Being a frequent source of online dissatisfaction, manifest process problems, such as delivery issues, are expected to be a main reason for online complaints (Cho, et al. 2003; Nasir 2004).

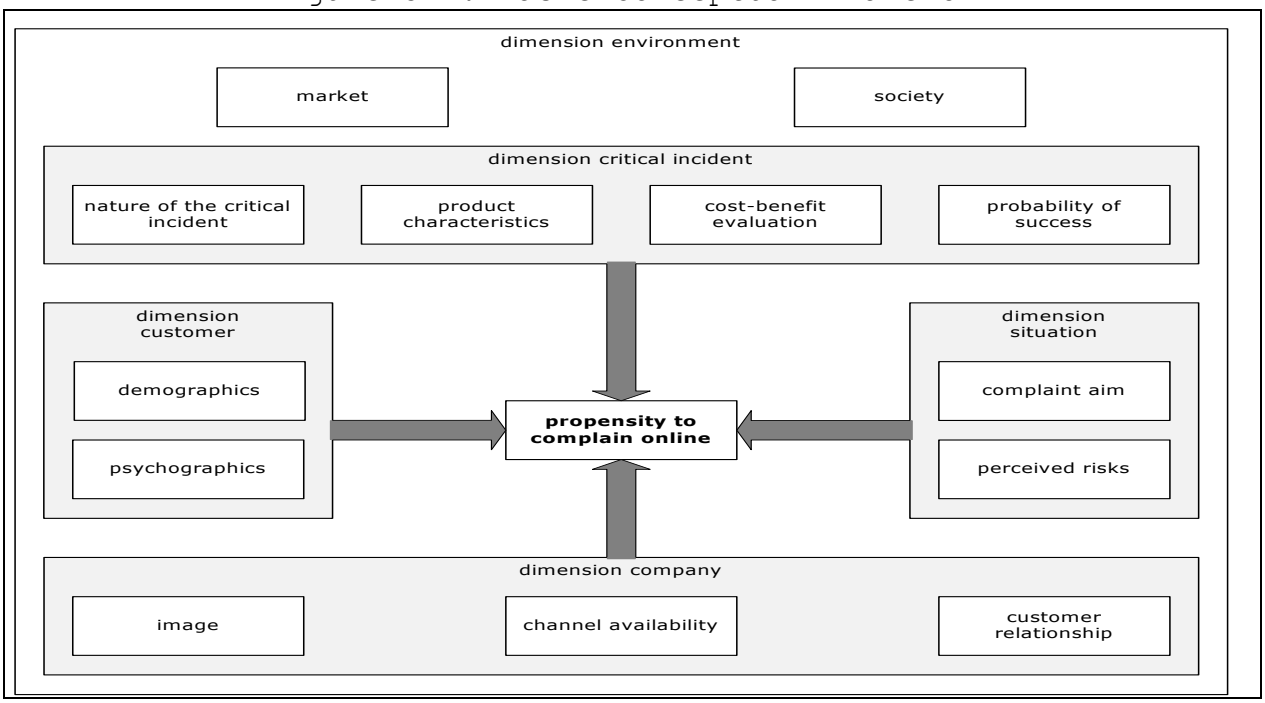
P1	Online shoppers have a higher propensity to complain online than offline buyers.
P2	For manifest process problems, the propensity to complain online is higher (mediated by frequency of problem type).

The underlying reason for the relationship postulated in P2 is the fact that online consumers both complain more often online and encounter more manifest process problems than offline consumers. In addition, the manifest nature of the problem makes it easy to produce evidence, possibly with a print screen or audio / video attachment. Apparently, CMC is a facilitator. When the failure occurs during the transaction / performance process, online customers are on the Internet anyway. Thus, it takes just a few clicks to complain and does not require any extra effort such as switching the computer on. There is one caveat: If the online experience is really bad, e.g. complete computer breakdown, then consumers probably will refrain from expressing their dissatisfaction by means of CMC.

For problems occurring during online shopping, an internal attribution of blame will be more frequent, in particular for judgmental problems (Harris, Mohr and Bernhardt 2006; Weiner 2000). This may be due to (perceived) lack of channel knowledge such as low self-efficacy, but can also

be attributed to the stronger participation required from a customer during the service performance / transaction. Though the degree varies, most e-commerce solutions involve some self-service elements. The internal attribution of blame reduces the propensity to complain in general and hence the propensity to complain online in particular. But by and large, it will not directly influence complaint channel choice.

Figure 3-1: Basic Conceptual Framework



P3a	Online shoppers blame themselves more frequently for the critical incident.
P3b	Due to the higher internal attribution of blame, the propensity to complain online is reduced.

The more important and severe consumers perceive a failure to be, the more they are willing to complain. It is much harder to deny a major critical incident than a minor event which may be subject to judgment anyway. Demonstrability is hence higher, and so is the perceived probability of success. Moreover, a severe failure renders the product useless. It is not possible to simply live with the failure. As a result, dissatisfied consumers probably prefer synchronous or even unmediated channels.

Thus, they can insist on their demands. The e-channel does not lend itself to press one's point; in this respect, it seems to be inferior to non-mediated communication. Neither can senders make sure that the message has indeed arrived at the recipients', nor can they exert pressure to get an answer. It is much easier to ignore an e-mail than an angry customer in a point of sale.

P4	Failure severity is negatively related to the propensity to complain online.
P5	Failure importance is negatively related to the propensity to complain online.

Product Characteristics

Product characteristics have a twofold impact. First, they partly determine whether consumers will express their dissatisfaction or not. In a second step, these features also influence which channel is chosen for the complaint. The more expensive a product, the higher will be the propensity to complain because costs of complaining become negligible in relation to the product price. Similar considerations are made for complaint channel choice: It is only worth investing in an expensive communication channel if the complaint benefits are accordingly high, which will be much more likely for high-priced products. The e-channel is rather inexpensive but also less reliable, while face-to-face communication requires considerably more effort. Therefore, CMC is probably most often used for inexpensive products.

P6	Product price is negatively related to the propensity to complain online.

Though price and importance are frequently related, it is not always the actual monetary value that decides how dear a product is. The same considerations made for the price have to be applied to product importance (instead of equalling price and importance).

P7	Product importance is negatively related to the propensity to complain online.

Also related to importance is product involvement. In general, high involvement products are perceived to be more important. Accordingly, the argumentation is analogous to price and importance.

P8	Product involvement is negatively related to the propensity to complain online.

Finally, product complexity has a negative effect on the propensity to complain online. Increasing complexity requires explanations that are more comprehensive. As shown in media richness theory, text based communication is restricted in the amount of cues that can be conveyed (Daft, et al. 1987). For dealing with complex complaints, which are more likely for products with a high complexity, it may be necessary to fall back to a richer channel offering more cues.

P9	Product complexity is negatively related to the propensity to complain online.

Cost - Benefit Evaluation of Complaining

Assuming bounded rationality, consumers are expected to choose the complaint channel with the best cost-benefit ratio (in absence of other influence factors). They must weigh complaint costs up against the benefits. If complaining causes far more costs than benefits, consumers will

probably choose less "expensive" responses such as exit or silence. The costs of complaining online consist of the costs for complaining and the costs of channel use. As far as tangible costs for e-complaining are concerned, they are very low (Stauss and Seidel 2004). It can hardly be assumed that a consumer buys deliberately for one complaint a computer and an Internet access package. So, this is fixed cost that occurs anyway. Only if a dial-up access is used, additional connection fees have to be taken into account.

P10	The low tangible costs have a positive effect on the propensity to complain online.

An important determinant of OC is ease of use, i.e. the degree to which a person believes complaining online is free of effort. At least for individuals with an average / high channel knowledge, it is assumed to be very easy to give an online feedback.

P11	The high ease of use has a positive effect on the propensity to complain online.

Avoiding a direct confrontation with employees, the psychological cost of an e-complaint is low, too (Stauss and Seidel 2004). This is in particular conducive to stimulate shame-prone persons to complain.

P12	The low psychological cost has a positive effect on the propensity to complain online.

Overall, consumers think that OC requires the least effort in comparison to other channels (Gubelmann, Zaugg, Bach, Iseli and Ruoss 2007). Due to this cost-effectiveness, one could argue that the e-channel is very suitable for making first contact. If the company does not react, then dissatisfied consumers can still follow up by means of another channel.

Though consumers seem to rate the benefits provided by the e-channel rather low, there are definitely some advantages, in particular for shy and reticent persons. Scholars keep on pointing out that convenience is one of the greatest benefits of OC (Ahuja, et al. 2003; de Ruyter, et al. 2001; Meuter, et al. 2003; Soopramanien and Robertson 2007; van Dijk, et al. 2007). This is mainly due to the lack of temporal and spatial constraints. Given Internet access, consumers can complain online anytime and anywhere. Yet, as companies mostly still need some days to answer, some waiting for the reply is inevitable. In future, businesses are increasingly expected to deal professionally with online feedback. As soon as consumers realise that they will reliably get an answer within a couple of hours (during office hours), their assessment of the e-channel's benefits offers will probably change. Today, the main point of ubiquity is that dissatisfied consumers can start the interaction whenever they want to. Neither have they to take into account whether the recipient is available nor how large the geographical distance is.

P13	The convenience of the e-channel is positively related to the propensity to complain online.
P14	Ubiquity is positively related to the propensity to complain online.

Another frequently mentioned benefit is the effect of depersonalisation. As text based CMC is said to be less personal than other channels, the threshold, in particular for potentially embarrassing activities, is much lower. This will have a stimulating effect on complaints. Reticent persons who formerly renounced complaining may now have the courage to express their dissatisfaction to the company (Mattila and Wirtz 2004; Robertson and Shaw 2005). In fact, such people may even prefer an online complaint over a face-to-face complaint, regardless of the benefits a direct encounter may offer. The psychological cost would be simply too high for them.

P15	The depersonalisation is positively related to the propensity to complain online.

Costs and benefits alone, however, do not determine the attractiveness of a channel. It is the ratio that is decisive. Here, the e-channel cannot (yet) compete with the other channels. According to Gubelmann, et al. (2007), face-to-face complaints come out on top, followed by phone complaints. This is due to the fact that respondents do not expect the e-channel to provide significant benefits yet, e.g. because they cannot insist on a quick solution.

Probability of Success of Reaching the Complaint Aim with a Given Channel

CCB is mostly linked with ensuring a complaint aim. Therefore, the probability of how likely this aim can be reached by means of the e-channel is a crucial OCCB determinant. If there is something important at stake, consumers will probably prefer an expensive complaint channel with a high perceived probability of success over an inexpensive channel with a low perceived probability of success. CMC mainly offers a very cost-effective means of communication, but the complaint can be ignored and the dissatisfied consumer has no possibility to intervene immediately. To make matters worse, only a few companies nowadays deal professionally with online communication (Neale, Murphy and Scharl 2006). All too often, e-mails get lost or are ignored. Therefore, a face-to-face encounter or a registered letter will probably be perceived to be more successful.

P16	Complainants attach a low probability of success to the e-channel.
P17	The low probability of success decreases the propensity to complain online.

Again, it has to be kept in mind that OC as well as CMC is still in its infancy. With growing maturity of the e-channel and increasing professionalism of online complaint management, benefits provided by the e-channel as well as the probability of success are very likely to improve considerably.

OCCB DETERMINANTS IN THE DIMENSION CUSTOMER

Though demographics are said to have only limited influence, they are often used in consumer behaviour research, probably due to their high accessibility. The demographics age, gender, education and income have for both CCB determinants and ECC determinants the same direction of the relationship. As a result, online complainers are generally expected to be young and highly educated males with a high income.

P18	Age is negatively related to the propensity to complain online.
P19	Males are more likely to complain online than females.
P20	Education is positively related to the propensity to complain online.
P21	Income is positively related to the propensity to complain online.

Definitely more expressive than demographic are psychographic variables. It is important to note that the components from CCB and ECC are inseparable, i.e. both have to have the same valence in order to generate an effect on the propensity to complain. For instance, there is no point in excellent Internet literacy if consumers even do not know they are entitled to complain about a faulty product.

In line with the theory of planned behaviour, three kinds of attitudes are relevant for determining the propensity to complain online. First, the attitude towards complaining has to be positive. Otherwise, consumers would not consider voicing their dissatisfaction. Moreover, also the attitude toward businesses should not be too negative, or else the probability of success would be rated too low to invest in a complaint. And finally, the attitude towards the e-channel determines whether this channel is a possibility for expressing dissatisfaction or not. This also depends on the technology readiness of a person (Meuter, et al. 2003; Parasuraman 2000). High technology readiness results in a basic openness to use new technologies, e.g. online communication for complaining. Hence, if the attitudes towards complaining, towards businesses and towards the e-channel are all positive, then consumers are more likely to complain online. It is particularly true for individuals scoring high on technology readiness.

P22	A positive attitude towards complaining, towards business and towards the e-channel is positively related to the propensity to complain online.

Secondly, the knowledge about complaining and the e-channel is decisive. Again, consumers have to be familiar with both subjects. Otherwise, the propensity to complain online will not be affected. The more consumers have used Internet and the more often they have complained, the more knowledge they have accumulated. Thus, they can better assess how favourable an e-complaint is for them, which can be seen as an uncertainty reduction. The higher familiarity with the subjects facilitates use considerably. While prior positive experience with both complaining and e-channel use promotes the use of OC, negative experience has the opposite effect.

P23	Prior positive experience with both complaining and e-channel use is positively related to the propensity to complain online.

Related to experience is actual Internet literacy as well as available knowledge on consumerism issues. The better dissatisfied consumers can navigate online, the easier it is to find the feedback form / e-mail. Accordingly, Gubelmann, et al. (2007) report that frequent surfers associate OC with less costs than occasional surfers, which in turn improves the perceived cost-benefit ratio of OC. Moreover, basic knowledge about consumer rights and how complaining works resp. what

consumers can expect from a complaint is conducive to exert one's right to express dissatisfaction to the company.

P24 The degree of actual knowledge about the e-channel and complaining is positively related to the propensity to complain online.

Actual knowledge, however, does not help if consumers do not perceive themselves as capable to complain online. Therefore, self-efficacy as well as self-confidence and assertiveness must also be high. Otherwise an individual will not be inclined to complain online. But actual and perceived knowledge must more or less match. Otherwise, it will have a counterproductive effect. So P24 and P25 cannot be analysed independently.

P25 Self-efficacy, self-confidence and assertiveness are positively related to the propensity to complain online.

Finally, consumer-inherent preferences concerning complaint response and channel are relevant. There are persons who rather end the relationship than complain. And there are also persons who attach great importance to physical customer-employee encounters in a point of sale. Consequently, it will be very difficult to convince such persons to complain online. Consequently, a basic preference for both CMC and voicing the dissatisfaction is often a necessary condition for an online complaint.

P26 A basic preference for both CMC and complaining to the company is positively related to the propensity to complain online.

OCCB DETERMINANTS IN THE DIMENSION SITUATION

Of course, in some situations consumers cannot follow their constitutional preferences and must instead adapt to the given circumstances. Therefore, situational determinants have to be taken into account for OCCB, too.

Complaint Aim

Depending on the complaint aim, consumers may prefer different modes of communication. Not each channel lends itself equally for pursuing a specific goal. These considerations can be made analogously to task appropriateness. "Individuals are assumed to be aware of the intrinsic properties of media, to be able to objectively evaluate the characteristics of tasks and media, and to rationally choose media that best fit the requirements of tasks." (King and Xia 1997, p.881) Accordingly, consumers also base their complaint channel choice on their complaint aims (Mattila and Wirtz 2004).

For seeking redress, the e-channel is probably less appropriate. Consumers seeking redress seem to prefer an interactive channel (Mattila and Wirtz 2004; Walker and Johnson 2006). As a physical exchange is not possible, consumer cannot have their faulty product replaced (unless it is digital). A refund can only be granted by means of a remittance order, cash cannot be offered.

P27 The complaint aim "seeking redress" has a negative impact on the propensity to complain online.

In general, all channels are appropriate for providing a customer with an apology. Yet, it is crucial for the company to convey a high degree of empathy and understanding, otherwise the apology could be considered as an excuse (Timmerman and Harrison 2005). The line between an excuse and an apology is very thin and unless employees are rather literate, unintended misunderstandings are easily created in written communication. Here, non-mediated communication will probably be most effective. The presence of an employee emphasising the words with body language seems to be more convincing. It would appear that consumers subconsciously seek this empathy and therefore rather choose a face-to-face encounter.

P28 The complaint aim "getting an apology" has a negative impact on the propensity to complain online.

Also explanations can easily be provided by all channels. For fact-oriented, and in particular for complex explanations, text based communication, e.g. e-mail, is highly suitable (Timmerman and Harrison 2005). Having the statement in written form, dissatisfied consumers can (re-)read it at their own pace, which facilitates enormously to comprehend the reasons of the failure.

P29 The complaint aim "getting an explanation" has a positive impact on the propensity to complain online.

Venting, finally, is the complaint aim the e-channel is most appropriate for (Mattila and Wirtz 2004). Kiesler, Zubrow and Moses (1985) point out that textbased CMC reduces guilt, embarrassment, fear of retribution and empathy for others, all of which leads to uninhibited behaviour. The channel's low social presence decreases the inhibition threshold. Thus, the channel characteristics, and in particular depersonalisation, support consumers in getting the frustration off their chests. Additionally, venting requires only very limited interaction (if at all). Consumers do not expect redress or a carefully worded statement from the company. In some cases, they might even be indifferent whether the company reacts or not. They just need an outlet for their rage. In particular for shame-prone persons, the e-channel offers an attractive means of communication for venting.

P30 The complaint aim "venting" has a positive impact on the propensity to complain online.

Perceived Risk

OC implies that there are no tangible cues, which increases risk perception, and so does the newness of the e-channel. Risk can be understood as perceived uncertainty. Generally, one can say that the greater the uncertainty, the greater perceived risk and the less likely is OC.

P31	Perceived risk is negatively related to the propensity to complain online.

OCCB DETERMINANTS IN THE DIMENSION COMPANY

Per definition em, the receiver of a complaint is the company. In this context, three determinants are relevant: image, channel availability and customer relationship.

Image

Image concerning a company's customer care and e-channel competence influences the propensity to complain online mainly through the perceived probability of success. The better the perception, the higher is the probability of success and vice versa. For having a promoting effect on likelihood of success resp. OC, a company must jointly have a good reputation for customer care as well as for dealing professionally with online feedback.

P32	A positive image concerning customer care and e-channel competence has a positive effect on the e-complaint's perceived probability of success.

The company is the interaction partner for the dissatisfied customer; so image is a recipient characteristic which can influence complaint channel choice. No matter how appropriate consumer complaint channel choice would be, all communication benefits are annihilated by a business incapable or unwilling of processing the feedback. Even if companies offer outstanding customer service and are well-known for that, they may not be credited with e-competence (image concerning new technologies). It does not matter whether they actually deal professionally with online communication. All that counts is the competence perceived by the customers. Provider responsiveness can be taken by consumers as an indicator for the overall quality of service. Hardly anyone would expect excellence in customer care if e-mails and contributions by webform are simply ignored. Conversely, e-channel excellence alone is no use for promoting OC. While a company may excel in processing online transactions / feedbacks, customer service may still be lousy. Therefore, only an outstanding image for both areas can promote OC.

P33	A positive image concerning customer care and e-channel competence has a positive effect on the propensity to complain online.

Channel Availability

By offering and promoting a distinct set of complaint channels, a company can - to some extent – influence consumers' media choice. If OC is not offered or very well hidden on the website, then only a few complainants will hit upon the idea to complain online. Whereas a company publishing URL and e-mail on every product and advertisement will get far more online feedback. Providing information about complaint channels is an external source of information which is also relevant in the dimension environment (informational influence). Unless dissatisfied consumers have a very strong complaint channel preference, they are expected to choose readily available complaint channels.

P34 A high availability and promotion of the e-channel has a positive effect on the propensity to complain online.

Customer Relationship

The type of customer relationship is the link between the two main actors of a critical incident, the customer and the company. It would appear that it shapes the expectations about the level of customer care a company should deliver. While price-oriented customer may accept that a company offers only inexpensive, textbased complaint channels such as e-mail, quality-oriented customers who pay more for their products may not condone that. Keeping equity theory in mind, customers will strive for equity (Bennett 1997).

P35 Price-sensitive customers are more likely to complain online.

Also loyalty and switching cost have to be considered. It is assumed that loyal customers are more likely to voice (Zaugg and Jäggi 2006). Moreover, they are also more willing to invest in both a relationship and a communication channel. They may even pay a price premium in order to contact the company non-mediatedly in a convenient location. Truly loyal customers assess their complaint's probability of success higher than disloyal customers because they have a basic positive belief in the company - otherwise they would not be loyal. Again, this increases the willingness to invest in a complaint as well as in a more expensive complaint channel.

Conversely disloyal consumers: If they bother to complain at all, they will try to minimise their efforts by choosing an inexpensive channel. Even if the probability of success and the expected benefits are not so promising, they will do so. In case they do not succeed, they can change supplier with little switching cost anyway.

P36 Disloyal customers are more likely to complain online.

OCCB DETERMINANTS IN THE DIMENSION ENVIRONMENT

The last dimension, environment, covers contextual factors in which consumer behaviour is embedded. For analysing OCCB, the respective market and society have to be considered.

Market

Metaphorically, the market can be understood as the stage setting in which the drama of a critical incident is played. The market structure determines the availability and attractivity of complaint possibilities. A monopolist, in particular a company offering a basic provision product, does not have to make much effort in order to deal with dissatisfied customers, as they cannot change supplier anyway. Accordingly, the business is not forced to excel in complaint management. There is no need for developing new, innovative and convenient ways to get in touch with the company. Quite the opposite, customer feedback may even be considered as disruptive by managers. Nonexistent competitiveness allows the business to thrive nevertheless.

In a polypol, however, many companies only just wait to poach dissatisfied customers. Accordingly, companies have to invest much in customer loyalty. Complaint management is one effective measure to achieve this goal. While the internal use of complaint information may prevent more dissatisfied customers in the first place, the satisfaction of already dissatisfied customers can be restored again. In order to exploit these potentials, it is important to stimulate dissatisfied consumers to voice their dissatisfaction to the company. This in turn requires easily accessible, convenient complaint channels. The offering of new, innovative complaint channels may be highly conducive to a company's complaint image and thus increase the perceived probability of success of a complaint, regardless of the channel. This, again, will stimulate complaints in general.

Highly competitive, polypolic markets seem to have a positive effect on the propensity to complain online because companies are forced to offer an attractive set of complaint channels. They must try hard to convince the customers of their customer care excellence, which in turn increased the perceived probability of success. Given that a main concern of OC is the low success rate, striving for customer care excellence will additionally be conducive to the propensity to complain online.

P37 Highly competitive markets have a positive effect on a consumer's propensity to complain online.

Society

Information from external sources (informational influence) as well as significant others (normative influence) determines the propensity to complain online, too. If in a society much information about OC is spread, e.g. by the press, then consumers can shape their attitudes towards this

phenomenon. In case of a correspondence of the information and the internal system of values and beliefs, they are likely to internalize the information, which in turn will have an impact on behaviour (Kelman 1961).

P38	Positive information about OC from external sources has a positive impact on the propensity to complain online.

While informational influence is devoid of social pressure and purely intrinsic, normative influence is based on the opinions of important others. Individuals do not judge OC independently, they follow the assessment of significant others. Accordingly, if both complaining and CMC has a positive valence, then also OC will have a positive image and members are much more likely to express their dissatisfaction online.

P39	Positive normative influence has a positive impact on the propensity to complain online.

CONCLUSION

OC is one of the promising future issues for keeping customers satisfied and loyal. In order to use OC effectively, companies must know why consumer complain online. To the author's knowledge, this question has not been addressed by previous research. Therefore, this paper has developed and discussed a conceptual framework that explains the propensity to complain online. From a managerial perspective, the OCCB determinants are relevant because they show customer care responsibles how to design complaint channels. Moreover, knowing these influence factors for complaint channel choice allows taking measures in order to steer consumer complaint channel choice.

It has to be kept in mind that today, Internet is still a nascent channel (Frambach, et al. 2007; Harris, Grewal, Mohr and Bernhardt 2006; Soopramanien and Robertson 2007). The majority of companies still offer exclusively e-mail or webform to communicate online with their customers. Even if companies give customers the possibility to contact them online, it cannot be taken for granted that the online enquiries will be processed and replied to reliably. And due to the restriction to e-mail and webform, CMC is mainly textbased. Consequently, "[…] it is considered a limited medium in terms of information exchange, and unsuitable for carrying out tasks or social functions that require rich, detailed and nuanced communication." (Hian, Chuan, Trevor and Detenber 2004, n.p.) With the ongoing diffusion of Internet usage and convergence of different channels, however, this is likely to be changing. It is expected that new forms of CMC will be offered by companies more often, among others for online complaint management. In particular chat and instant messaging combine the advantages of written complaints (no direct confrontation, no loss of face) with the advantages of synchronous communication. But also the shift to virtual worlds is a possible move. A factor highly conducive to this development is the convergence of media. An increasing number of devices enable users to go online, be that a mobile phone, a laptop, a personal digital assistant or an MP3 player.

However, regardless of the promising options CMC offers, there will always be dissatisfied customers who do not complain online. This may be due to the depersonalised nature of CMC, but also due to personal traits such as channel preference or lacking skills. Moreover, situational constraints may inhibit OC. Therefore, the e-channel will not replace "traditional" complaint channels, but complement them. Given that a company is interested in customer complaints, it is strongly advised to offer multiple ways for feedback.

This paper is limited to a conceptual analysis of the OCCB determinants. Consequently, the conceptual framework will be examined empirically by means of two qualitative studies. The aim is to refine and reduce the suggested propositions. In a first step, expert interviews with practitioners and scholars will be conducted. Then, case studies with (not) online complainers will be carried out. The qualitative studies are supposed to result in a model ready for quantitative testing.

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STUDENT SATISFACTION AND EMPOWERMENT THROUGH COMPLAINING IN INSTITUTIONS OF HIGHER LEARNING*

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ABSTRACT

Commitment to and satisfaction with an educational program are important factors in determining college student success. Although research on the subject of satisfaction has primarily been conducted in the context of business, particularly with regard to customer complaints and complaint management strategies, institutions of higher learning are beginning to adopt business models to increase student satisfaction, retention and positive word-of-mouth that can provide an assist to university personnel working on recruiting new students each year.

Due to the pervasive generalization of complaining as being negative, insufficient data exist to determine whether the act of complaining has an impact on students' sense of satisfaction and empowerment with their educational experience. Through one-on-one, in depth interviews with 20 students at an urban career college, this qualitative study explores students' sense of empowerment, satisfaction, and complaint behavior through the lens of students' experiences.

INTRODUCTION

Students in the United States currently have many choices for attending institutions of higher learning such as four-year universities, community colleges, vocational institutions, and face-to-face or online learning environments. Although these institutions vary widely with regard to campus culture, curriculum, and other factors, their students often share the same disconnect between initial expectations and actual college experiences (Schroeder, 2001). For example, students frequently browse college catalogs to help with their enrollment decisions; however, after enrolling they may be disappointed to learn that some courses may not be offered for years at a time. When students' experiences do not reflect their expectations, the level of their satisfaction decreases (Kowalski, 1996).

Student satisfaction and commitment to an educational program are important factors in determining student success (Bennett, 2003). Focusing on student satisfaction allows institutions of higher learning (IHLs) to continuously monitor how effectively they are meeting student expectations (Elliot, 2002). Although many factors influence students' satisfaction with their educational experiences, few IHLs have developed proactive strategies to discover the root causes of student dissatisfaction. With the growing belief that higher education has entered a new environment in which quality plays an increasingly important role (Koch, 2003; Owlia & Aspinwall, 1996; Sahney, Banwet, & Karunes, 2004), awareness of sources of student dissatisfaction and how students express their concerns has grown as well (Guolla, 1999; Seeman & O'Hara, 2006; Su & Bao, 2001).

Research on the subject of satisfaction has primarily been conducted in the context of business, particularly with regard to customer complaints and complaint management strategies (Bodey & Grace, 2006; Bolfing, 1989; Goodwin, 1990; Nyer, 2000; Plymire, 1991; Seeman & O'Hara, 2006). The impact of satisfaction on customer retention has been well-documented. Further, studies show that consumers who were encouraged to complain reported greater increases in satisfaction and product evaluation compared to consumers who were not explicitly invited to complain (Blodgett, Wakefield, & Barnes, 1995; Bolfing, 1989; Chen-Yu & Hong, 2006; Dawes & Rowley, 1999; Gelb, 1987; Kowalski, 1996; Nyer, 2000; Oliver, 1997; Seeman & O'Hara, 2006). Retailers and service providers can view the act of complaining as an opportunity to solidify and strengthen relationships with their customers. Sellers can implement complaint management policies and procedures that are designed to maximize customer satisfaction (Blodgett, Wakefield, & Barnes, 1995; Johnston, 2001).

Unlike students, consumers of business products and services are empowered through a deliberate system of communication channels designed to improve their experiences, leading to increased satisfaction (Jones & Sasser, 1995). Students typically can voice their dissatisfaction only within boundaries construed by IHLs, with a lack of encouragement on the part of IHLs for students' "voice" (Wink, 2005). Traditional opportunities for students' voices to emerge include end-of-term course evaluations, participation in student government, and on-campus demonstrations. However, end-of-term evaluations focus solely on students' experiences in a particular course and do not allow evaluators to assess the students' broader educational experiences.

Participation in student government is a possibility for only a few students each term; students that are struggling to earn passing grades, perhaps with the added responsibilities of jobs, children, or other factors, may not be even be able to attend open meetings, let alone actively participate as an elected member of student government. On-campus demonstrations, while open to all, are generally infrequent and focus on one shared concern. These traditional avenues, taken alone or together, have been found to be inadequate for student expression. If IHLs are to create broader opportunities for student voice, one means available to them is through complaining.

Complaining as a strategy for voicing dissatisfaction can be described as both authentic (Kowalski, 1996) and instrumental (Alicke, et al., 1992; McDiarmid, 2004). This study will focus on student empowerment through authentic, instrumental complaints. Authentic complaints are motivated by true dissatisfaction and stem from the complainer's genuine feelings of dissatisfaction (Kowalski, 1996), while instrumental complaints are expressed for the purpose of changing an undesirable state of affairs (McDiarmid, 2004). According to Su and Bao (2001), many students may consider complaining but are discouraged from doing so by their own low sense of empowerment and their lack of trust in persons of authority. Thus, there is an absence of true student empowerment (Nieto, 2005).

STATEMENT OF THE RESEARCH PROBLEM

There is a lack of empirical and theoretical research in the area of student satisfaction and complaint behavior (Dolinsky, 1994; Elliot, 2002; Guolla, 1999). In addition, due to the pervasive generalization of complaining as being negative, insufficient data exist to determine whether the act of instrumental complaining has an impact on students' sense of satisfaction and empowerment with their educational experience.

Similarly, few research studies have looked at demographic factors such as gender or cultural background that students do or do not share, which may influence how they express their dissatisfaction through complaining. Only a few studies (Chiu, Tsang, & Yang, 2001; Mooij, 2004; Watkins & Liu, 1996) relate to cross-cultural issues of student satisfaction and complaint behavior. IHLs typically consist of a majority dominant culture with one or more underrepresented groups who are forced to compete with the majority's dominant culture (Samovar, Porter, & McDaniel, 2007). Students from underrepresented groups often have had fewer opportunities than their majority counterparts to attend college and, once enrolled, have generally found it more difficult to succeed academically and to graduate (Wilson, 1994).
Research suggests that the more satisfied and involved a student is in college, the more likely he or she will be academically successful and graduate. Therefore, if the relationship between college experiences and college success were better understood—particularly for underrepresented minority students—perhaps IHLs could enhance the success of minority students on their campuses (Eimers, 2001). In addition, if IHLs were to become more aware of the nuances of co-cultures, they might also be able to create a more inclusive platform for student voices to emerge (Astin, 1984; Cummins, 1989).

PURPOSE OF THE STUDY

This qualitative study will attempt to explore and understand student satisfaction and complaint behavior through the lens of students' experiences, as well as to suggest strategies to improve student satisfaction at IHLs. One-on-one interviews will be conducted with 20 students from a vocational college in the San Francisco Bay Area.

Prior research in the area of business consumer complaints has found that satisfaction and complaint behaviors may be influenced by demographic factors such as ethnicity, culture and gender (Chiu, Tsang, & Yang, 2001; Cornwell, Bligh, & Babakus, 1991; Eslami-Rasekh, 2004). In this vein, this study will also examine how these factors may play a similar role at institutions of higher learning. As increasing numbers of underrepresented minority students enroll in IHLs (Eimers, 2001), exploring and understanding such demographics may help colleges and universities to create an environment and culture conducive to progress in college, persistence, and graduation.

Research Questions

The following research questions will be addressed in the study:

What factors do students identify as influencing their sense of satisfaction with their educational experiences at institutions of higher learning (IHLs)?
When students are dissatisfied with their educational experiences, how do they express their dissatisfaction?

What role does complaining play?
What factors do students identify as barriers to complaining?
What factors encourage or facilitate student complaints?
What relationship exists between students' ability to express dissatisfaction through complaining and their sense of empowerment and satisfaction with their educational experiences?
Which shared demographic characteristics, such as gender, ethnicity, and cultural background, may influence students' complaint behaviors?

Theoretical Rationale

Wink (2005) claims that educators in a paternalistic system often play the role of experts who must decide what is good for their students. Further, the business of education has become a "vast undertaking and mass experience in society, involving tens of millions of people, huge outlays of money, and diverse forces contending over curriculum and funding" (Shor, 1992, p. 11). With so much at stake, administrators of IHLs and "bureaucratic pedagogies" (Shulman & Luechauer, 2002, p. 4) have created an educational system where students have little voice. This system has created what Aronowitz (2000) refers to as "the corporate capitalist machine" (p .3) where schools "rob students of their individuality and instead train them to become cogs" (p .3). Student participation and true involvement may be the most important place to begin this change because student involvement is low in traditional classrooms and because action is essential to gain knowledge and develop intelligence (Shor, 1992). Piaget (1979) states that we learn by getting involved, by doing, and by thinking about our experiences. According to Katsap (2003), "there is no disagreement among shapers of political and educational policy regarding the importance of the empowerment of learners" (p. 140). Empowerment is a process of enabling an individual to think, believe, carry out an activity, and criticize their own work and decisions autonomously (Czuba & Page, 1999).

One of the key elements explored in this study is students' sense of empowerment as related to their sense of satisfaction. With that in mind, this study uses critical pedagogy (Freire, 1974) and student empowerment (Nieto, 1994; Shor, 1996) as its theoretical framework.

Critical pedagogy is a method of teaching that aims at assisting students in challenging and questioning any form of domination and the values and practices that reflect domination. It is an approach of teaching that promotes critical consciousness or an in-depth understanding of the

world. Shor (1996) defines "critical pedagogy" as:…habits of thought, reading, writing and speaking which go beneath the surface meaning, first impressions, dominant myths, official pronouncements, traditional clichés, received wisdom, and mere opinions, to understand the deep meaning, root causes, social context, ideology, and personal consequences of any action, event, object, process, organization, experience, text, subject matter, policy, mass media, or discourse (p. 129).

This mode of teaching is primarily influenced by Paulo Freire, a Brazilian educator who heavily endorsed a student's ability to think critically about their educational experiences. This allows students to recognize the connection between their experiences and the social context within which those experiences are embedded.

Freire (2000) argued against the banking system of education in favor of a liberatory, dialogical pedagogy aimed at enhancing student consciousness of oppression and, in turn, transforming oppressive social structures through "praxis" (reflection in action). Freire believed in certain core values that formed the backbone of all his intervention strategies, be it in the political arena or in educational reforms. These values were humanism, liberation, and solidarity. One way to achieve critical pedagogy is by allowing students to become empowered and express their dissatisfaction through complaining. Once their complaints are received and investigated, then solutions can be created to ameliorate their dissatisfactions. As Freire (1974) states, the solutions need to be with the people and never for them or imposed upon them.

One of the important ingredients of critical pedagogy is student empowerment. In education, empowerment has been defined as "the dynamic process of adopting the values and enacting the practices of enlightened self-interest in order to align student and faculty goals for the class" (Shulman & Luechauer, 2002, p. 44). It seems that most often students are not empowered and do not have a significant voice to express their dissatisfaction (Nieto, 1994). Nieto goes on to state that "discussions about the developing strategies to solve educational problems lack the perspectives of one of the very groups they most often affect, students" (p. 392). By giving voice to students, they may become more empowered.

Astin's (1984) theory of involvement will also be utilized to better understand the benefits of students' direct involvement in their educational experiences. This theory postulates that students' levels of involvement and engagement in college are directly related to their learning and development in college. The level of student development is also closely tied to the level of involvement with peers, professors, and academic program. One of Astin's most important findings is that institutional type tends to exert little influence on measures of student development and success. That is, it is not the type of institution per se that has an effect on undergraduate student development, but the opportunities to get involved and to interact with others, along with the commitment that the institution has toward learning, that make the key difference. The impact of college on undergraduate students increases when students believe they are valued, when undergraduate education is taken seriously, and when student and faculty interaction is frequent and meaningful.

Through the lens of Sonia Nieto, Ira Shor, Paulo Freire, and Alexander W. Astin, this study will attempt to explore, interpret, and understand issues regarding student empowerment, voice, and expression of dissatisfaction through complaining.

Significance of the Study

This study will contribute to the existing body of research regarding student satisfaction and complaint behavior by investigating new aspects of student satisfaction, empowerment, and complaint behavior and by considering the implications of more research into this field. A qualitative research design was chosen for this study in order to identify thematic data to complement quantitative research findings in the literature (Chiu, Tsang, & Yang, 2001; Eslami-Rasekh, 2004; Phau & Sari, 2004).

The findings of this study may bring new insights to the field of student dissatisfaction and complaint behavior that can assist teachers and administrators to better handle student complaints, thus leading to an increase in student satisfaction and success (Mayo, Helms, & Codjoe, 2004). Existing research suggests that more investigation is needed in this area with respect to institutions of higher learning (Aldridge & Rowley, 1998; DeShields, Kara, & Kaynak, 2005). This study will also contribute to cross-cultural research into student satisfaction through examining student dissatisfaction and complaint behavior and their relationship to cultural differences (Eslami-Rasekh, 2004; Samovar, Porter, & McDaniel, 2007).

Definitions of Terms

This study will utilize terminology found in the fields of education, psychology, and business. Definitions of each term are provided below to facilitate the reader's understanding of the study.
Co-culture is used in this study when discussing "groups or social communities exhibiting communication characteristics, perceptions, values, beliefs, and practices that are sufficiently different to distinguish them from other groups, communities, and the dominant culture" (Samovar, Porter, & McDaniel, 2007, p. 11).

Complaints are broadly defined as articulations of dissatisfaction that are expressed toward another with the aim of bringing about awareness of a behavior subjectively experienced as harmful and initiating a change in the criticized behavior (Stauss & Seidel, 2004, p. 16).

Culture is defined as "a set of human-made objective and subjective elements that is shared among a group of people who have a common language and may have lived in the same time and place" (Triandis, 1994, p. 23).

Dominant culture refers to the culture of a group which is in power. (Samovar, Porter, & McDaniel, 2007). According to McLemore (1994), in American society this group "was created as people of English ethnicity who settled along the Atlantic seacoast and gradually extended their political, economic, and religious control over the territory….In the United States, affluent

adult white males generally meet the requirement of dominance and have done so since the establishment of this country" (p. 60).

Institutions of higher learning (IHLs) are defined as colleges and universities which offer courses to students who are adults or have successfully completed high school requirements.

Student empowerment is defined as the dynamic process of adopting the values and enacting the practices of enlightened self-interest in order to align student and faculty goals for the class (Shulman & Luechauer, 2002). Alignment should not be construed to mean "forcing the student to want what the teacher wants" or "allowing students to impose their demands on the teacher" (p. 44). Rather, alignment occurs when students and faculty share the authority and responsibility to devise the processes and measures necessary to facilitate learning.

Student satisfaction is generally accepted to be a short-term attitude resulting from an evaluation of a student's educational experience. Student satisfaction results when actual performance meets or exceeds the student's expectations (Grossman, 1999).
Student voice is the active opportunity for students to express their opinions and make decisions regarding the planning, implementation, and evaluation of their learning experiences (Rogers, 2005).

Personal Statement

My complaint is that most of us are not complaining enough. Many people view complaining as a negative construct. They relate it to behaviors like whining, nagging, and crying. Although negative connotations are attached to complaining, there are positive aspects, as well. I believe that through complaining many problems and tensions can be reduced. There may be negative short-term effects; however, in the long run the results will be positive.

Complaining is one means of direct communication. In my own personal and professional life, instigating, analyzing, and synthesizing complaints have dramatically helped my communications with others. We tend to control our emotions by suppressing our complaints about people or things. But in my case, I have managed to maintain longer and healthier relationships by listening to the complaints of my partners, friends, and family members and not taking their comments personally. I have noticed that by allowing a path for others to complain regularly, the amount of complaining decreases. Even though at first I was shocked by others' complaints about me, I have now managed to change my perspective (most of the time) and take those complaints as opportunities to see myself through someone else's eyes and find ways to improve myself.

In my professional life, I am an instructor at Heald College. Heald is a 144-year-old, private, career college with students from many different social, ethnic, religious, and economic backgrounds, ranging in age from 17 to 54, male, female, and some in transition from one gender to another. As you can imagine, the patterns of complaining are vast. I place a question in almost all of my major exams asking students to write down three complaints about my class.

Although they are not graded on their answers to these questions, making it part of their grade to give an answer makes it more likely that everyone will make some effort to participate in the exercise. This is most important for those students whose cultural framework includes socially constructed barriers to complaining. It is also completely unexpected, making them challenge their reality and start to form a new concept about their classroom experience.

Receiving feedback through student complaints has helped me do a better job as an educator. Although all types of comments are informative, asking for their complaints creates a way for my students to safely voice their concerns which, in turn, builds trust. I begin this method of receiving feedback from day one by asking my first quarter students to anonymously write down five complaints about schools they attended before. By making space for my students' feedback, they feel more powerful in my class. This has created a safe and enjoyable classroom culture.
Not everyone at my institution agrees with my views on complaining. Like most people, they are only thinking about its negative aspect. Some of them are worried that encouraging students to complain could create a culture of complaining. The lack of existing research in the area of student complaint behavior and complaint outcomes in educational settings makes it very difficult to construct a complaint management model for our institution.

I have presented business models of service oriented organizations to campus administrators, but they feel that an academic institution is completely different from other types of business. It seems to me that most successful business organizations have utilized consumer complaining to their advantage. They realized that they needed to give voice to their customers, which, in turn, empowered the customers to complain, to refuse a service or return a product with which they were not satisfied. For example, by asking customers for their feedback and then making some kind of change based on the information, the customers feel that they are respected. These businesses have managed to improve the quality of their products and services while at the same time improving the quality of their relationship with their customers.

Another very interesting aspect of complaining is the role of culture in a person's complaint behavior. Different cultures complain differently. For example, my Asian students rarely complain directly to me. I have heard them speak in their native language to others about my class. I have had the most difficulty convincing these students to openly voice their complaints. On the other hand, my European American and African American students tend to be very vocal about their concerns regarding my class. Handling complaints has taught me a great deal about different cultures and given me insight into managing my class in a way that better facilitates learning. I am able to orient myself to other cultures, which has helped me get closer to my students.

Like Plymire (1991) described in his article, "Complaints as opportunities," I have worked to reduce my rhetorical questions in order to sincerely listen, learn, and act on others' complaints. However, I have noticed that many people solicit feedback, including complaints, but then do not do anything with the information. For example, at Heald College we have a strict dress code that does not allow students to ever wear jeans, running shoes or hats, and includes many other restrictions such as no untucked shirts or facial piercings. Every time students make a complaint

about something like the dress code over which I have no control, I share with them the attempts I have made to change it and also show them the responses I received from my superiors regarding their complaint. If there is something I can do, I will do my best to make the change to benefit them. The dialogue between my students and me has empowered me as a facilitator and has created more equality between us. The students seem to be more comfortable in a class where they can safely exercise their freedom of expression and be who they are or want to be.
Like other academic institutions, Heald has students complete teacher evaluations toward the very end of the quarter. In my opinion this is the most ineffective way of generating feedback. If the student is dissatisfied, he or she will probably not care to take the time to provide feedback once their opportunity to affect meaningful change has passed. These students may have given up by the end of that course. Their feedback will not directly benefit them because instructors are not given the results until after the term is over. Another issue with these evaluations is that they seem to be just a formality. This takes away all of the students' power. The only power they have left is to quit.

The college where I work is a small, private school. I believe it is even harder for students to complain at larger institutions with more complicated bureaucracies. If the teacher will not listen to a complaint or the student is afraid to approach the teacher directly, the students may not be able to figure out who they can turn to. Many institutions are aware of these issues but are not willing to take action and make the necessary changes. The costs associated with them are too high. These schools defend their lack of action by saying they are not a business entity. I do not agree. In my opinion, a college is a business providing services to students. As such, everyone would benefit if institutions were willing to invest in systems to encourage and act on student complaints.

LITERATURE REVIEW

Addressing students' needs with respect to complaining and empowerment may allow the administrators of IHLs to improve students' satisfaction with their educational experience. Previous research into which factors lead to higher satisfaction have pointed to the importance of acknowledging student perspective and voice in IHLs. This section examines the literature associated with the research questions of this study and is organized around the following topics: Factors Affecting Students' Sense of Satisfaction, Expressing Dissatisfaction, Complaining and Empowerment, and Demographics and Complaining.

FACTORS AFFECTING STUDENTS' SENSE OF SATISFACTION WITH THEIR EDUCATIONAL EXPERIENCES

Students as Consumers of Higher Education Services

Student life is a web of interconnected experiences which overlap and influence student satisfaction (Sirvanci, 1996). Lomas (2007) states that, "Changes in the higher education sector in recent years have significantly reduced the differences between universities and other types of organizations and it has been argued that students have become 'consumers' of higher education

services" (p. 31). In her empirical study, through in-depth interviews, Lomas found that senior managers and administrators were much more supportive of the view that students should be regarded as customers than those members of staff who were lower in the organizational chart. These findings were consistent, irrespective of the type of college or university participating in the study. In looking at the future of IHLs, Morley (2003) posed the question as to whether there is a move towards an entitlement culture in higher education with students asking, "'What can I get?' rather than, 'What should I do?'" (p. 42). Morley (2003) goes on to state that universities have changed in the last 30 years and students are no longer content to just ask, 'What should I do?' and no longer afraid to ask, 'What can I get?' "Universities and their staff are starting to face up to this challenge of the changing culture" (Morley, 2003, p. 18).

Research has shown that quality measures can be used to identify areas that need improvement as well as areas to be celebrated for their excellence. The term "customer service" is often used synonymously with quality, and quality is frequently defined as meeting and exceeding customer expectations (Sirvanci, 1996). In order to successfully implement quality in educational institutions, the true customer must first be determined. However, among the groups within higher education (faculty, students, and administrators), there seems to be little agreement as to who the true customers are. Participants in Sirvanci's (1996) research study concluded that both students and instructors are suppliers of the product, the product being knowledge.

According to Cleary (2001), it is reasonable to assume that most IHLs are proponents of quality. Therefore, any inquiry that helps to define and identify quality should be beneficial in their efforts to attain it. He goes on to state that individuals employed at colleges and universities, both academicians and administrators, have a professional responsibility to continuously strive for educational excellence. Perceived quality derives from the consumer's overall evaluation of a service experience. Furthermore, quality can be distinguished from satisfaction since quality is a general attitude, whereas satisfaction is linked to specific transactions (Chow, 2003).

In her 1998 study of students' perceptions of their learning outcomes, Drew found that student outcomes were strongly oriented towards personal and professional skills and qualities. Since the mid-1980s there has been a growing interest in higher education in the development of those personal attributes in students which allow them to make use of their academic knowledge and to be personally effective (Drew, 1998). This interest has been linked to employment, to the argument that in a fast-changing world professionals need to continually adapt and learn, and to the move towards mass higher education, where many students see their course of study as a route to improved career opportunities.

Pursuing studies at an IHL is a major undertaking (Chow, 2003). Chow along with other researchers (Anisef, Ashbury, & Turrittin, 1992; Hunter & Leiper, 1993; Oliver, 1997) found that the possession of a degree in higher education has often been conceived as one of the crucial determinants of later-life economic success, status attainment, and achieving goals. Pursuit of a higher education degree entails not merely a strong commitment of time and effort, but also the investment of an enormous amount of financial resources. As students make a greater contribution by paying more towards the cost of their education, they have increased

expectations regarding the services and facilities that IHLs provide in support of their studies (Jones, 2006).

The services and facilities advertised in IHL catalogs and Web sites, and as described by recruiters and admissions counselors, must be generally consistent with the services and facilities students encounter after their enrollment. IHLs need to ensure that their claims and promises are deliverable (Jones, 2006). In addition, pressure on recruiters to meet enrollment goals increases the potential for misunderstandings that give rise to student complaints and legal disputes. A key challenge for many IHLs is to determine methods to ensure that students entering their institutions have realistic expectations which will encourage them to make the necessary academic, social, and personal adjustments. Research shows that unrealistic expectations of IHLs are not confined to applicants from non-traditional backgrounds (Cook & Leckey, 1999; Lowe & Cook, 2003). Unless IHLs address the shortfall between expectation and reality, they may provide fertile ground for complaints to develop.

Students' demands and expectations of what IHLs should provide can be expected to rise. Students are also becoming more inclined to openly criticize their institutions as demonstrated by a growing number of Web sites and discussion forums devoted to such issues (Baty & Wainwright, 2005). With IHLs offering similar courses, the quality of the student experience offered at respective institutions is likely to become a determining factor for IHL applicants in choosing a place to study.

Educational experience and academic performance are two inextricably related educational outcomes. Consistent with findings from earlier studies (Brookman, 1989; Shim & Morgan, 1990), educational aspirations, attitudes, and expectations towards IHLs have been identified as significant predictors of students' academic performance, success, and satisfaction (Chow, 2003; Tam, 2004).

Higher education is increasingly recognizing that it is a service industry and is placing greater emphasis on meeting the expectations and needs of students (Cheng & Tam, 1997). In today's competitive environment, a university must identify what is important to students, inform students that they intend to deliver what is important to them, then deliver what they promise (Elliot & Healy, 2001). Student satisfaction results when actual performance meets or exceeds the student's expectations and student satisfaction is being shaped continually by repeated experiences with the IHL (Aldridge & Rowley, 1998; Szymanski & Henard, 2001).

Grossman (1999) found that satisfaction was significantly influenced by trust. Universities can build trust by treating students in a consistent and equitable manner, meeting students' expectations, and handling student complaints in a caring manner. Perceived quality of an educational experience is a consequence of student satisfaction (Athiyaman, 1997). In his research, Elliot (2002) discovered that "instructional effectiveness" (p. 271) was also a fairly strong and significant predictor of overall student satisfaction. Instructional effectiveness was comprised of fourteen items which assess a student's academic experience, to include curriculum, academic excellence, and effectiveness of faculty.

Evaluation of Student Satisfaction

In order to attract and retain students, universities must identify and meet student expectations (Elliot & Healy, 2001). Harvey (1995) states that a student satisfaction approach goes hand-in-hand with the development of a culture of continuous quality improvement. He goes on to say that teaching and learning do not occur solely in the classroom or under the tutor's direct supervision and that the total student experience is becoming ever more central to the students' attitudes toward IHLs. Many IHLs perform some evaluations of other aspects of student experience beyond the assessment of the quality of teaching and learning.

Through a survey of 1,805 students from an upper-Midwest university, Elliot (2002) discovered that a majority of the students wanted to feel as though they were important to the university and felt that they should be the evaluators of the service being provided. Moreover, he found that students needed to interact with instructors who were fair and unbiased and were able to provide quality instruction: "Satisfaction easily reflects outcomes of reciprocity that occur between students and an instructor" (McCollough & Gremler, 1999, p. 120). In order to ensure satisfaction, some researchers, such as McCollough and Gremler, have taken education to the next level by exploring the possibility of offering a "conditional student satisfaction guarantee" (p. 121). In their study, most students appeared to support the idea of offering a guarantee in the classroom and that this guarantee might keep "instructors on their toes as a double-check to make sure that material is relevant and current or that students see themselves learning" (p. 119). However, opponents (Bay & Daniel, 2001) believe that such a guarantee is inappropriate in a university setting and that student evaluation should be sufficient to determine the students' overall experience.

One concern about evaluations is that the questionnaires used in a typical student satisfaction survey ask for perceptions and do not seek to collect additional data with respect to expectations (Aldridge & Rowley, 1998). Also, not all IHLs have systematic student evaluation processes in place and of those that do, very few make these evaluations compulsory for students (Aldridge & Rowley, 1998). Voluntary completion of evaluations provides limited data as it is coming from only a portion of the student body.

Satisfaction with Academic Program

Shim and Morgan's (1990) quantitative study collected data from 16 major universities across the United States. The purpose of their study was to investigate the factors influencing students' attitudes toward their majors and satisfaction with their majors/departments. The influence of professors and advisors is significant for predicting overall satisfaction with majors/departments. Shim and Morgan found that the students themselves, their parents, and their professors all play a significant role in forming a student's favorable attitudes towards a major. Positive and committed attitudes toward a major, which will eventually lead to higher satisfaction, need to be encouraged among students.

Students are important stakeholders in the quality of monitoring and assessment processes and thus, IHLs should obtain their views. Harvey (1995) states that anyone collecting students' views should only collect what they can use. He goes on to state that it is counterproductive to ask students for information and then not use it; students become cynical and uncooperative if they think no one really cares about what they think. IHLs need to listen to, examine, and make use of student views. If data from surveys of students is going to be useful then it needs to be transformed into meaningful information. Harvey concluded that IHLs should be held accountable for the information they develop as a result of the data gathered, and that the IHLs should ensure that the information is systematically reported in order to improve the quality of education. Many IHLs have come to realize that they need to retain students as well as to attract new students. Patterson, Johnson, and Spreng (1997) demonstrated empirically a strong link between satisfaction and retention.

The higher education system has been pressurized to shift its focus from quantitative to qualitative expansion. Although defining quality with respect to education is difficult or impossible, attention needs to be paid to quality. Quality plays an important role in higher education. Higher education is also being driven towards commercial competition imposed by economic forces (Owlia & Aspinwall, 1996). The terms "customer" and "market" have met with resistance from some educators, who argue they are applicable only to commercial environments. Various methods such as Total Quality Management (TQM) and Customer Relations Management (CRM) aim at satisfying the needs of various stakeholders through the design of a system based on certain principles and practices (Helms & Key, 1994; Koch, 2003; Seeman & O'Hara, 2006). However, the use of these strategies has posed problems in formulating a single, comprehensive solution. While the needs and interests of the various customer groups may not always coincide, the best method of resolving different interests is to recognize their existence and to look for the issues that unite the different parties (Sahney, Banwet, & Karunes, 2004).

As universities plan recruiting and enrollment management strategies, they must first identify what is important to students to attract them and then deliver a quality education to retain them. The most effective and efficient means of recruiting students is through word-of-mouth promotion which comes from current satisfied students. Studies which have focused on determinants of students' satisfaction in IHLs have discovered that satisfied students are necessary to accomplish the goals of higher educational institutions (DeShields, Kara, & Kaynak, 2005). Researchers such as DeShields, et al. (2005) and Brookman (1989) have looked at satisfaction and retention among various students in higher education. These researchers concluded that change is necessary in the higher education system to apply customer-oriented principles used by profit-making institutions.

EXPRESSING DISSATISFACTION

Background of Complaining and Satisfaction

Stauss and Seidel (2004) broadly define complaints as: "articulations of dissatisfaction that are expressed toward firms and /or third-party institutions with the aim of making a provider aware of a behavior that is subjectively experienced as harmful, receiving compensation for adverse effects suffered, and making a change in the criticized behavior." (p. 16)

Researchers (Guolla, 1999; Watkins & Liu, 1996) have discovered that many others have created their own definition, but few have attempted to explore the concept of complaining, especially in relation to culture, ethnicity, race and student satisfaction. Kowalski (1996) states that, "Although everyone complains at least occasionally, surprisingly little research has been devoted to the topic of complaining" (p. 2).

The goal of learning more about complaining is to reduce its causes in order to increase satisfaction. Satisfaction or dissatisfaction arises as a consequence of a perceived discrepancy between expected and experience performance (Stauss & Seidel, 2004). Consumer complaining behavior (CCB) is an important aspect of the fields of business, finance, and marketing. According to Phau and Sari (2004), "research has found that CCB is a complex phenomenon influenced by a multiplicity of factors in the choice of a particular complaining action. These factors include demographics, psychographics and attitudes toward complaining, general attitudes towards businesses, and product attributes" (p. 410). Singh and Pandya (1991) suggest that businesses should develop post-purchase strategies to encourage verbal responses and avert or avoid private and third-party responses. Most businesses would like to reduce complaining and increase customer satisfaction, but they are not truly aware of the advantages of using complaints as a basis for making future business plans (Dolinsky, 1994).

Importance of Complaining

Cornwell, et al. (1991) emphasize the significance of complaining by stating: "So important is the single complaint, that it has been argued that in low growth, highly competitive markets, a viable marketing strategy is to maximize the number of complaints from dissatisfied consumers to achieve the lowest possible level of consumer turnover." (p. 3)

There is a consensus among researchers in the field that complaints allow sellers to fulfill their obligations to buyers. Many existing businesses rely on information obtained from complaining to improve the quality of their services and products (Best, 1981; Singh & Pandya, 1991; Fisher, Garrett, Arnold, & Ferris, 1999). The importance of effective business-customer relationship management has been increasingly recognized by both academic and marketing practitioners (Watkins & Liu, 1996, p. 70).

Jones (2006) looked at how IHLs must respond to a growing complaints culture by students becoming more assertive in their demands and expectations of their higher education experience.

As students make a greater contribution by paying more towards the cost of their education, they have increased expectations regarding the services and facilities that IHLs provide in support of their studies. The result has been a growth in the number of complaints (Baty & Wainwright, 2005).

In order for IHLs to know what services their students want and require, it is imperative that there is an effective means for obtaining student feedback. This is important for monitoring student satisfaction and for addressing areas of concern in order to further enhance the student experience. However, student surveys are limited in that they are generally offered only once a year or once per academic term and capture only a small portion of a student's educational experience (Audin, Davy, & Barkham, 2003).

In handling students' complaints it is vital that IHLs treat complaints seriously, as this cannot only mean the difference between retaining the student and the student dropping out, but can also prevent a resort to legal processes. Mediation is a mechanism being used by some IHLs in an attempt to resolve complaints with students in-house (Scrine, 2005).

IHLs also need to ensure that lessons are learned where a complaint investigation reveals shortcomings in processes and procedures. Staff whose departments are the subject of a complaint should be careful that they do not act defensively, as this can serve to exacerbate an already fragile relationship with the student. One approach to elicit staff cooperation is to emphasize how complaints can provide useful feedback from students on services and facilities provided by the IHL; and that by addressing any concerns raised through these processes, the IHL is able to continually enhance the quality of the student experience (Lyman, Wilson, Garhart, & Heim, 1985).

Some IHLs, such as Oxford University in the United Kingdom, have moved towards a student contract (Richards & Halpin, 2006). The contract reiterates the students' own responsibility in the educational process in terms of attendance at classes and submission of work. It is designed to preempt complaints from students attributing poor academic performance to failings on the part of the IHL.

Guolla (1999) states that students are customers since they receive a highly valued service. Students with high levels of satisfaction engage in favorable word-of-mouth communication like recommendations to friends or asking whether an instructor teaches another course. On the other hand, students with low levels of satisfaction "engage in negative word-of-mouth communication, including complaints to a department chair or dean" (p .90).

The purpose of Tam's (2004) quantitative study was to investigate numerous aspects of the student experience in higher education to contribute to the knowledge of quality learning and the necessary conditions in the institution that are required to promote quality learning in students. Data were collected from two cross-sections (n=998 in 2000 & n=912 in 2002) using an online questionnaire for a wide range of variables about the students' background, university experience, and learning outcomes. A key research question was whether the students changed

or developed during the period they attended university and, if so, how much and in what direction. It was discovered that students' involvement in the university experience and interaction with the institutional environment were the two most important determining factors. In addition, students' interactions with teachers were found to be significantly related to their personal improvement.

Tam (2004) concluded that "[t]he major implication for universities and their managers and teachers is to shape the educational and interpersonal experiences and settings of their campus in ways that will promote learning, to induce students to become involved in their university experience and activities, and to exploit the various university settings and opportunities to their fullest….It is important that institutional policies and practices are oriented towards developing a climate in which students' responsibility and active participation in their own university experience are promoted" (p. 256).

According to Jones and Yonezawa (2002), students' perspectives are not generally respected or heard. Their findings came as the result of a partnership between the Center for Research and Educational Equity, Assessment, and Teaching Excellence (CREATE) at the University of California, San Diego (UCSD) and 18 low-performing schools. Student voice was used to deepen this partnership.

Holmes and Smith (2003) investigated students' complaints about how faculty members graded them on both essay assignments and quantitative problems. Lack of fairness in grading and too little feedback from instructors were students' main complaints. Strategies such as setting clear assignment objectives and using matrices and rubrics would help to reduce these negative student comments.

Disadvantages of Complaining

One disadvantage of complaining is that the employees are subjected to the direct complaints of angry customers who expect a personal answer. Marketers in most cases do not know the reasons for consumer dissatisfaction and consequently cannot take corrective action. Other than lack of knowledge about complaining behavior, institutional barriers characteristic of marketing institutions such as retailers, distributors, and manufacturers discourage direct complaints from consumers (Hernandez, Strahle, Garcia, & Sorensen, 1991).

Cultural values, which are discussed below, play a role in complaining. For example, an aspect of American culture is the frequent use of legal action. According to Hernandez, et al. (1991), this may be related to individualism and masculinity, which makes people want to get the most out of life. Mooij (2004) found that in the United States, obese people have started suing fast food chains, holding them responsible for their weight gain. The voicing of complaints has had negative effects on many organizations that were not producing effective products and/or services. In sufficient numbers, consumers' complaints may stimulate regulatory action against a company and destroy a product, dilute or erode brand equity and in the process, the market share (Phau & Sari, 2004).

Complaining and Empowerment

Nieto (2005) believes that in order to reflect critically on school reform, students need to be included in the dialogue. One way to begin the process of changing school policies and practices is to listen to students' views about them, especially from those students who are categorized as "problems" and are most oppressed by traditional educational structures and procedures (p. 392). In regards to evaluation, IHLs need to commit to reflect on their own practice with a view towards improvement. Engaged with systematically, this can lead to tangible improvements in the quality of the student learning experience. Evaluation for improvement minimally includes collecting triangulated evidence from the key participants (staff, colleagues, students) by using a variety of instruments. Furthermore, if this kind of process is to become embedded, organizations need to establish a climate which values student involvement in the evaluation of teaching and the assessment of learning (Pennington & O'Neil, 1994).

IHLs need to involve students and to see evaluation in a positive, developmental light, incorporating qualitative feedback to define and assess teaching quality more correctly. In education systems which are resistant to change, mistakes are most often diagnosed and penalized, rather than built on as learning opportunities. There is potential for both competence and incompetence in all teaching methods. Quality improvement is not an easy part of learning to manage, but its importance cannot be ignored (McIlveen, Greenan, & Humphreys, 1997).

Empowerment and Satisfaction

Student empowerment has been defined as the dynamic process of adopting the values and enacting the practices of enlightened self-interest in order to align student and faculty goals for the class (Shulman & Luechauer, 2002). Alignment should not be construed to mean "forcing the student to want what the teacher wants" or "allowing students to impose their demands on the teacher" (p. 44). Rather, alignment occurs when students and faculty share the authority and responsibility to devise the processes and measures necessary to facilitate learning.

Student empowerment is relevant to the educational experience which in turn influences student satisfaction and whether students express their dissatisfaction through complaining (Lozier, 1996). In order to promote student empowerment, educators that adopt critical pedagogy allow the teachers and students to engage in dialogue that can facilitate the transmission of information both ways. Collins (2000) states that Freire's critical pedagogy "…is more interested in working problems out through dialogue, strategies, and projects with (not for or on behalf of) the oppressed themselves in what he calls 'true' acts of education" (p. 258).

Demographic Characteristics and Complaining

Eimers (2001) has suggested that minority and nonminority students often have different experiences and perception of these experiences in college. The findings of his study suggest that the relationship between college experiences and progress are quite similar for the two groups. This finding reinforces the need to further explore how minority and nonminority

students interpret their college experience and whether satisfaction with their college experience comes from similar types of activities, relationships, and environments.

Although "minority" cannot be considered a homogeneous group, it has been suggested by Eimers (2001) that minority students, in general, encounter common experiences in college that are different than their nonminority counterparts. This suggestion was based on Eimers' findings that minority students tend to report higher levels of prejudice on campus and that they may be less likely to get involved because they have a more difficult time identifying with a critical mass of their peers or specific faculty with whom they feel comfortable. Eimers also found that minorities have a wider range of cultural and traditional differences than their majority counterparts.

Underrepresented minorities have typically had fewer opportunities to attend college and, once enrolled, have generally found it more difficult to succeed academically and graduate (Wilson, 1994). Research suggests that the more satisfied and involved a student is in college, the more likely he or she will be academically successful and graduate. Therefore, if the relationship between college experiences and college success were better understood—particularly for minority students—perhaps IHLs could enhance the success of minority students on their campuses. Astin's (1984) theory of involvement postulates that students' levels of involvement and engagement in college are directly related to their learning and development in college. The level of student development was also closely tied to a student's level of involvement with peers, professors, and the academic program.

The impact of college on undergraduate students increases when students believe they are valued, when undergraduate education is taken seriously, and when student and faculty interaction is frequent and meaningful. In addition, the impact of college increases when effective teaching and an understanding of learning are demonstrated in the classroom. How college affects students has been an area of inquiry that has been extensively studied. In few of those studies (Schroeder, 2001; Pascarella & Terenzini, 2005), however, have researchers specifically examined how the undergraduate student experience influences progress in college for different types of students.

Different teaching practices influence minority as well as nonminority skill development in very similar (and positive) ways (Eimers, 2001). Administrators and faculty can develop programs and initiatives to build stronger links and opportunities with students; create a welcoming and positive campus climate; and enhance the instruction, advising, and academic programs that all students experience (Kuh, 1993). Further, many of these initiatives can be established and maintained without significant cost to the institution (Graham, 1998).

Although Eimers' (2001) study was undertaken at a single university system, interestingly, minority students, in contrast to nonminority students, reported higher levels of progress in intellectual development, similar levels of satisfaction with faculty-student relations and academic quality, and lower levels of satisfaction with the campus environment. Further

research could focus on whether these results are consistent across different institutions, and if so, what implications they suggest.

Other researchers (Canada & Pringle, 1995) have found that mixed-sex education, at least as it is typically configured, may pose notable disadvantages for girls and women. It has been reported that in comparison to women who attended mixed-sex colleges, women who attended women's colleges had greater self-esteem at graduation, were more engaged in college activities, and were more likely to reach high levels of achievement in their careers and higher salaries.

Research in cultural psychology has found that an individual's values, concepts of self, perceptions of others and patterns of interactions with his/her environment are influenced by the "cultural meaning systems" in which they operate (Liu & McClure, 2001, p. 55). Cultural meaning systems provide individuals with group-defined views of the world, belief systems, motivational forces, institutional orientations, etc. According to Liu and McClure (2001) cultural meaning systems are derived from one of two main systems known as "individualism and collectivism" (p. 57). In collectivist cultures, groups' affiliations take precedence over individual goals. Collectivists tend not to express their emotions outwardly, especially negative emotions that often are repressed in public settings. Negative emotions are likely to be discussed in intimate social settings (Samovar, Porter, & McDaniel, 2007).

People with an individualistic culture orientation believe that everyone should have equal rights and complete control over their own destiny. Research has shown that persons associated with the individualistic culture tend to voice their complaints more frequently than those from collectivist groups (Mooij, 2004). For example, Chiu, Tsang and Yang (2001) state that the Chinese attach great importance to face. Losing face has demoralizing repercussions and thus is usually avoided. One way the Chinese deal with this is by leaving face for others and thus avoiding exposing a person's mistakes to social scrutiny. Although this would make them less likely to complain, there is a higher probability that dissatisfied Chinese consumers would complain when the situation does not involve direct confrontation.

Chiu, Tsang and Yang (2001) conducted both quantitative and qualitative studies with Chinese students in order to discover Chinese cultural complaint behavior. Through quantitative hypothesis, statistical significance was found suggesting that Chinese people were less likely to complain in a face-to-face situation. When complaint action involved direct personal confrontation, Chinese students tended not to complain.

Different cultures are presently being studied in order to find out the disparities and similarities among them. Another recent and interesting study in the same field was conducted by Eslami-Rasekh (2004) who compared face-keeping strategies in reaction to complaints between Persian and American English-speaking students. Persian society, being a more group-oriented society and placing more emphasis on the importance of society, family, solidarity and common ground as opposed to individual privacy, individual rights, and autonomy of individuals, has cultural values that are different from American society. In the dominant American culture, distance is a positive cultural value, associated with respect for the autonomy of the individual. The study

found that native speakers of Persian tended to be much more detailed, elaborate and emotional in their explanations of situations than American speakers. Many other cross-cultural differences and patterns were discovered which helped produce a clearer picture of differences in communication styles.

The concept of culture has been related to consumer behavior through values. Liu and McClure (2001) state that when dissatisfied, customers in an individualistic culture are more likely to voice their complaints than those in a collectivist culture; moreover, customers in a collectivist culture are more likely to express private responses than those in an individualistic culture. Culture not only affects consumers' behaviors, but also influences their intentions to engage in future behaviors. A collectivist culture does not necessarily mean that they are passive. Rather, the voicing of their complaints privately could be detrimental to existing businesses (Fisher, et al., 1999; Liu & McClure, 2001).

Results from several studies (Chiu, Tsang, & Yang, 2001; Cornwell, Bligh, & Babakus, 2001; Hernandez, et al., 1991; Liu & McClure, 2001) suggest that ethnicity is an important aspect of consumer complaining behavior. It is hoped that ethnicity will be incorporated in future research designs on complaining and other consumer behaviors (Cornwell, Bligh, & Babakus, 1991; Phau & Sari, 2004).

SUMMARY

Students are considered by many IHLs, and by the students themselves, to be consumers of higher education services. As students make a greater contribution by paying more towards the cost of their education, they have increased expectations regarding the services and facilities that IHLs provide in support of their studies. Students are also becoming more inclined to openly criticize their institutions when educational experiences do not match expectations. In today's competitive environment, IHLs must identify what is important to students, inform students that they intend to deliver what is important to them, and then deliver what they promise.

Evaluation of student satisfaction is generally undertaken at IHLs through end-of-term surveys. However, the questionnaires typically used for these surveys ask for students' perceptions and do not seek to collect additional data with respect to expectations. Not all IHLs have systematic evaluation processes in place and of those that do; very few make these evaluations compulsory. Consumer complaining behavior (CCB) is used by many profit-making institutions to reduce the causes of consumer complaints in order to increase customer satisfaction. CCB is a complex phenomenon influenced by factors such as gender, ethnicity, cultural background, attitudes towards complaining, and general attitudes towards businesses and products. Complaining as a strategy for voicing dissatisfaction is motivated by the complainer's genuine feelings of dissatisfaction (authentic complaints) that are expressed for the purpose of changing an undesirable state of affairs (instrumental complaints).

Students' perspectives are not generally respected or heard. Presently students can voice their dissatisfaction only within the boundaries construed by IHLs. In this paternalistic system,

educators are often cast in the role of experts who decide what is best for the students. However, educators that adopt critical pedagogy allow dialogue to take place that can ultimately result in greater student empowerment and satisfaction. Student empowerment is relevant to the educational experience which in turn influences student satisfaction and whether students express their dissatisfaction through complaining.

Although a review of the literature found that many studies have analyzed the effects of IHLs on students, there is a lack of qualitative literature which specifically examines empowering students by giving voice through complaining. This study aims to fill that gap. In addition, this study will contribute to cross-cultural research into student satisfaction by examining student dissatisfaction and complaint behavior and their relationship to gender, culture, and ethnicity.

RESTATEMENT OF PURPOSE AND METHOD

The purpose of this qualitative study is to explore and understand student satisfaction and complaint behavior through the lens of students' experiences, as well as to suggest strategies to improve student satisfaction at institutions of higher learning (IHLs). In addition, this study will examine how satisfaction and complaint behaviors may be influenced by demographic factors such as ethnicity, culture and gender at IHLs (Chiu, Tsang, & Yang, 2001; Cornwell, Bligh, & Babakus, 1991; Eslami-Rasekh, 2004).

Research Design and Methodology

In order to address the research questions, this study will utilize qualitative fieldwork through one-on-one interviews as defined by Patton (2001), Bogdan and Biklen (2007), and Creswell (2005). While quantitative research is designed to quantify specific components of a phenomenon, qualitative research focuses on the essential nature of a phenomenon. Qualitative researchers utilize strategies such as interviews and observations in order to gain knowledge and understanding of the phenomenon being studied (Creswell, 2005). Qualitative methodology was selected for this study because of its focus on the meaning of individual experiences within a particular vocational college (Merriam, 1998).

One-on-one interviews with the 20 participants of this study will consist of 20 open-ended questions. Additional questions are expected to emerge as the dialogue may take different paths as participants are describing their experiences and expressing perceptions, feelings, and knowledge regarding those experiences. All of the interviewees will be given a copy of the consent form to read and sign. Each one-on-one interview will last for approximately one hour. All interviews will be digitally recorded and transcribed verbatim by the researcher for data analysis with sufficient context to interpret them. The transcribed data will be available to the student participants in a read-only electronic format or a printed version upon request. This will provide an opportunity for participants to check for validity and veracity of the transcribed interviews.

Research Setting

The San Francisco campus of Heald College has been selected as the site for this study. Heald College was established as a non-profit educational institution in 1863 and currently consists of 11 campuses in three states: California, Oregon, and Hawaii. In 2007 the college converted from non-profit to for-profit status. Heald offers associate degree programs in computer technology, telecommunications, several areas of business, medical office administration, and medical assisting, as well as diploma and certificate programs within these same subject areas. The student population is made up of individuals from diverse cultural, economic, and educational backgrounds. All programs are offered on day or evening schedules. Student enrollment varies by campus and by quarter. The San Francisco campus is located in the downtown financial district of the city with a total student population of approximately 600 full time and part time students. The researcher has been an instructor in the business and computer technology departments at this campus beginning in 1998 through the present.

Population and Sample

All participants in this study (n=20) will be selected from the San Francisco campus of Heald College. Demographic data available at the time of this study for the San Francisco campus indicates a diverse student population. Ages range between 16 and 55 years, with 62.29% of students being between 19 and 24 years old. Students are also of several different ethnic groups, with Asian/Pacific Islander (46.93%), Hispanic (19.83%), and African American (12.85%) representing the majority of students. Approximately 5% of students report having some type of physical or learning disability (Heald College Campus Report, Fall 2002). To be eligible for enrollment, students must have earned either a high school diploma or General Educational Development high school equivalency diploma (GED). In addition, prospective students are required to achieve minimum passing scores on either the Career Programs Assessment Test (CPAT) or Compass test in mathematics, English reading, and English writing. Instructors at this college are required to have earned at least a bachelor's degree and to have had relevant industry work experience.

Data Collection

One-on-one interviews will be conducted with 20 students. Information about this study will be advertised to the students through postings around campus and on the main campus Web site which pops up each time students log onto their computer workstations. Students wishing to participate in the study will be asked to complete a questionnaire to determine whether they meet the necessary criteria. Criteria will include past or present dissatisfaction with an educational experience at an IHL, gender, cultural identity, and ethnicity. After review of the completed questionnaires, a purposeful sample will be selected based on the participant selection criteria in order to ensure that the characteristics of the participants contribute meaningful data with regard to the focus of this study (Bogdan & Biklen, 2007). Volunteers will be allowed to select the best date and time for their own interview. They will also be given the option as to whether their

"real" name or a pseudonym is used for this study. Interviews will be conducted in an on-campus conference room. Each participant will be asked to complete a demographics questionnaire.

A pilot focus group will be conducted prior to the start of individual interviews to explore themes and refine the interview questions. For each of this study's research questions, several interview questions were formulated, as shown below:

Research Question #1

What factors do students identify as influencing their sense of satisfaction with their educational experiences at institutions of higher learning?

Interview Questions:
Tell me about your experiences as a college student. What do you like about being a student? What do you like about your school?
Is there anything you don't like about being a student or about your school?
Overall, are you satisfied with your educational experience in higher education?
What factors do you think have had the biggest influence over your sense of satisfaction or dissatisfaction with your educational experiences?

Research Question #2

When students are dissatisfied with their educational experiences, how do they express their dissatisfaction?

Interview Questions:
Think about an experience you had as a college student when you felt dissatisfied with something at school. Please describe that experience.
Did you complain to anyone about this experience? Why or why not?
At the time, how did you feel about the idea of complaining?
Please describe any factors that made you hesitate before you complained.
Please describe any factors that made you feel more inclined to complain.

Research Question #3

What relationship exists between students' ability to express dissatisfaction through complaining and their sense of empowerment in and satisfaction with their educational experiences?
After you voiced your complaint, what happened?
Did you feel more or less satisfied with your overall educational experience after you complained? How did you feel after you complained? Why?
Did you feel empowered or disempowered by this experience? Why do you think you felt this way?

Given your previous experience with complaining, do you think you would complain again if you were to feel dissatisfied with your experiences at school? Why or why not?
How do you define complaining?
How would you categorize complaining? Would you categorize it as being positive or negative? Why?
What do you think about people who complain?

Research Question #4

Which shared demographic characteristics, such as gender, ethnicity, and cultural background, may influence their complaint behaviors?
Do you think the fact that you are a man/woman had any influence over your willingness to complain? Why or why not?
What about the gender or other characteristics of the person to whom the complaint was directed? Do you think that had any influence over your willingness to complain? Why or why not?
Do you think that other factors such as family, cultural background, ethnicity, or anything else played a role in your willingness or desire to complain? If so, which factors do you think influenced you and how were you influenced by them?
Is there anything else that you would like to add?

Data Analysis

Transcripts of the interviews will be reviewed, compared, identified, and analyzed by the researcher. Themes and recurring patterns of meaning are expected to emerge as a result of data analysis. The researcher will carefully code the data according to these themes.

Protection of Human Subjects

Proper permission from IRBHS will be obtained prior to conducting the interviews for this study. Participation in the study will be anonymous, and participants will be asked for permission to record their conversations while being interviewed by the researcher.

Reliability and Validity

To ensure reliability and validity of the data, member checks will be utilized, as well as exploring and mitigating, as much as is possible, the researcher's assumptions and potential biases relative to the study. Member checking is a "process in which the researcher asks one or more participants in the study to check the accuracy of the account" (Creswell, 2005, p. 52). Research participants will be encouraged to inquire as to the progress of the study at any time, and will be given the opportunity to explore and discuss preliminary findings.

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***NOTE: This manuscript summarizes A Dissertation Proposal Presented to the Faculty of the School of Education, International and Multicultural Education Department, University of San Francisco, In Partial Fulfillment of the Requirements for the Degree Doctor of Education.**

GETTING GOOD COMPLAINING

WITHOUT BAD COMPLAINING

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ABSTRACT

Consumer complaining behavior is a phenomenon of great interest and practical importance in services. Its advancement is contingent upon the application of different samples, data collection procedures, and analytical methods. The practical importance of addressing service failures is well established in the literature (e.g., Smith, Bolton, and Wagner 1999). For example, service failures and failed responses to customer complaints are costly mistakes for firm's to make, as new customers are more costly to acquire than retaining current customers (Hart, Heskett, and Sasser 1990).

In an effort to help organizations learn and improve from service failures, researchers suggest that organizations promote complaining behaviors from consumers (e.g., Fornell and Westbrook 1984). Public complaining behavior (i.e., complaints made directly to an organization or indirectly through a third party) affords an offending firm the opportunity to make amends for a service failure and potentially retain the affected consumer (Gilly and Gelb 1982; Mattila and Wirtz 2004). A downside of inciting public complaining behaviors is that potentially detrimental private complaining behaviors (e.g., negative word-of-mouth and relationship termination) often accompany the public complaining behaviors (Singh 1988). It is therefore beneficial to emphasize characteristics that prompt public complaining behaviors without also prompting private complaining behaviors.

Despite the development of Day and Landon's (1977) classification of complaint behaviors and subsequent taxonomy by Singh (1988), few researchers attempt to differentiate between the various types of consumer complaint responses to service failures and simply report general complaint intentions. The results cannot necessarily then be segmented into actionable strategies that benefit firms. For example, employing a call center to handle complaints adds little value if the majority of consumer complaints are lodged in person. Similarly, there is little value in heightening failure severity to induce public complaining if it also decreases satisfaction and leads to negative private actions by the consumer (Weun, Beatty, and Jones 2004). This gap needs to be addressed if firms are to benefit from promoting consumer complaining behaviors. The objectives of this research are therefore to 1) compare characteristics that drive public complaining behavior to those that drive private complaining behavior, 2) explore the impact of two variables not yet considered in the complaint literature, and 3) add to the validity of prior studies by comparing complainers to non-complainers in a retrospective, rather than a prospective, fashion.

CONCEPTUAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

A host of different variables have been used to examine the nature of complaining behavior. These can be broken down into demographic, psychological, situational, and consumerism categories. Demographic variables constitute objective characteristics of consumers, such as age, gender, and income. Psychological variables are aspects of personality, attitudes, or traits that might increase or decrease a consumer's propensity to complain. Situational variables are aspects derived from a specific service failure event. These often relate to the type and extent of service failure. Consumerism variables refer to beliefs about the market and may indicate goals surrounding complaining rather than underlying personality traits. This research takes a broad focus and examines all of these categories in a combined analysis.

Demographics are among the oldest and most common predictors used in complaining behavior. The advantage of demographic measures is that they provide an objective means of comparing complainers to non-complainers (Keng, Richmond, and Han 1995). The demographic characteristics investigated in this research are age, gender, and income, as these are some of the most prevalent demographic variables discussed in complaint research.

Common psychological variables associated with the study of complaining behavior are assertiveness (Fornell and Westbrook 1979), aggressiveness (Day 1980), and attitude toward complaining (Richins 1981; Singh and Pandya 1991). An additional psychological variable considered here is need for affiliation (McClelland 1961). Bolfing (1989) indicates that research on personality variables is inconclusive. A range of findings among psychological variables suggests that research is still needed to shore up the key psychological antecedents to complaining behavior. Further, psychological variables are among the most likely to help distinguish between public and private complaining behaviors.

Situational characteristics have also been suggested as key drivers of complaining behavior. Service failure severity was among the most commonly cited contributors to complaining from both disconfirmation of expectations (Bolfing 1989) and costs incurred (Bearden 1983; Landon 1977). Service failures can constitute something relatively innocuous like a cold meal at a restaurant, or something relatively devastating, like a caterer that fails to show up at a wedding reception. More severe service failures are expected to constitute greater disconfirmation and incite greater dissatisfaction, thus increasing the likelihood of complaining (Bolfing 1989).

Consumerism variables refer to attitudes, perceptions, and behaviors that are directly related to the market. Sparse attention is devoted to the study of these variables in complaining behavior. These variables include perceived consumer effectiveness (Ellen, Weiner, and Cobb-Walgren 1991) and consumer collectivist tendencies (Price, Feick, and Higie 1987). Perceived consumer effectiveness is similar to the concept of "perceived likelihood of successful complaint" discussed by Kim, Kim, Im, and Shin (2003) and "likelihood of success" described by Blodgett and Granbois (1992) and Blodgett and Anderson (2000). Service failures should catalyze these characteristics and thus increase the propensity to complain (Jacoby and Jaccard 1981).

METHOD

The data for this study came from a sample of 235 U.S. consumers. The dependent variables for public and private complaining were binary due to the retrospective comparison of action (complaining) to non-action (not complaining). As a result, binary logistic regression was used to analyze the drivers of public and private complaining. The outcome of the binary logistic analysis is a set of log likelihood ratios that describe the extent to which each dependent variable increases the chance of the dependent variable occurring. Binary measures have several advantages. First, they allow for a direct distinction to be made between actual complainers and non-complainers rather than relying on scenario-driven responses. Second, they enable both a qualitative and quantitative approach to measuring complaint outcomes. Finally, they alleviate common method bias via methodological separation of dependent and independent variables.

RESULTS

A combined CFA was performed on the six personality scales and the results indicated acceptable measurement properties for all of the items. Convergent and discriminant validity of the constructs was established via Fornell and Larcker (1981). A stepwise binary logistic regression was then run to assess the drivers of actual public and private complaining behaviors. Public complaining includes interactive and remote channels, such as complaining in person, over the telephone, in writing, and via e-mail. Private complaining includes exit and negative word-of-mouth, as neither involves communicating directly with a company.

In terms of demographics, public complaining exhibited a positive relationship with age. Older consumers are therefore more likely to complain publicly than younger consumers. There was not a significant impact of age on private complaining. Gender, however, was not a significant predictor of either public or private complaining behavior. Income was also not a significant predictor of public complaining. Income did however exhibit a negative relationship with private complaining behaviors

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In terms of psychographics, need for power was not significantly related to either public or private complaining behaviors. Need for affiliation exhibited a similar insignificant result for public and private complaining behaviors. Attitude toward complaining, however, increased the probability of public complaining behavior, but was not a significant predictor of private complaining behavior.

In terms of situational variables, service failure severity was positively related to both public and private complaining behaviors. Fault was not a significant predictor of either public or private complaining behaviors. This is an interesting null finding in that service firms are not necessarily able to disarm negative complaining behaviors that result from customer error.

In terms of consumerism variables, consumer collectivist tendencies were not significantly related to either public or private complaining behaviors. Perceived consumer effectiveness, however, was positively related to public complaining, but unrelated to private complaining

DISCUSSION

The primary objectives of this research were to compare the drivers of public and private complaining behavior, explore the impacts of two new potential predictors of complaining behavior, and to add to the validity of prior studies by examining actual responses to service failures in a retrospective fashion. Hypotheses were divided into public and private complaining in an effort to assess potential differences in complaint drivers. The results suggest several differences that can be used to create valuable public complaining behaviors without also inciting negative private complaining behaviors.

Public complaining is spurred by the consumer's age, the consumer's attitude toward complaining, the severity of the service failure, and the consumer's belief in the effectiveness of complaining at garnering a response from the firm. Private complaining is also spurred by service failure severity, but is limited by income. These findings suggest that demographic, psychological, situational, and consumerism variables can all provide valuable insights into complaint behavior prediction.

Demographics cannot be controlled directly by service organizations, which call into question their usefulness as a practical gauge despite their quantitative significance. However, targeting specific demographic groups and understanding the demographic makeup of a service firm's clientele will help that firm understand the likelihood of complaint in the absence of additional operational procedures that aid in complaint management. In essence, service organizations with older, higher income consumers, need fewer supplementary complaint capabilities to promote the same level of value-added complaining behaviors as organizations with younger, lower income consumers.

Attitude toward complaining is a psychological characteristic that drives public complaining behavior. Its usefulness as a complaint driver stems from an organization's ability to positively alter the consumer's attitude toward complaining rather than hoping that all consumers possess positive levels of this characteristic. Prior research has shown that experience is a particularly strong enhancer of attitude toward complaining (Kim, Kim, Im, and Shin 2003). This suggests that organizations can increase a consumer's attitude toward complaining by making sure that the consumer is rewarded for appropriately complaining. At the basic level, this means acknowledging and responding to the service failure in some way. To do this, organizations need to ensure that procedures and technology are in place to provide customers with access to complaint outlets. Additionally, organizations should ensure that recovery attempts result in positive customer experiences.

Severity is unfortunately linked to both public and private complaining behaviors, which limits its value as an effective strategic characteristic. The more egregious the service failure, the more likely is an organization to hear about the service failure. Negative word-of-mouth and boycotting is unfortunately also more likely to result from this type of service failure. The finding is useful, however, in that it makes intuitive sense and supports a proactive ideal of

service failure prevention/minimization and continuous improvement rather than one of reactive service recovery.

The results also suggest that perceived consumer effectiveness is another variable that can be used to generate public complaining behaviors without incurring private complaining behaviors. The idea that organizations need to find ways to encourage complaining following a service failure and help the consumer feel as though their efforts will not be in vain is not new. This research goes beyond this idea by providing evidence that perceived consumer effectiveness does not significantly spur private complaining behavior along with the public complaining behavior. This suggests that service organizations are free to encourage complaining without fear that it will result in a negative backlash.

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WHAT MAKES YOU SATISFIED:

THE BRAND, STORE, OR EMPLOYEE?

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ABSTRACT

A brand, branch stores, and employees constitute a chain system. Gutek et al. (1999) used the term "pseudo relationship" to describe the consumers' connection with a chain system where consumers purchase something from the same retailer but in different branch stores or from different employees. Even with observable repeat purchase behavior, it is difficult to distinguish the focal point of the pseudo relationship for the customer—the brand, the store, or the service offered by employees. The current research thus distinguishes three types of chain store "pseudo relationship" to investigate which one, brand-focus, store-focus, or people-focus influences consumer satisfaction most, and which one causes higher complaint rates in certain industries.

Brand-focus relationship emphasizes the important role of brand awareness, perceived quality, brand association, brand loyalty, and brand equity (Aaker 1991). The exposure to the brand name could reduce consumers' perceived risk (Akerlof 1970; Huang et al. 2004). A positive association would increase the possibility of repeat purchase, and promote loyalty to the brand. Store-focus relationship concerns the contact with the store rather than people or brand. Consumers become familiar with the store because of its location, store atmosphere (Donovan and Rossiter 1982), and degree of crowdedness (Hui and Bateson 1991). These factors might affect consumers' motivation to revisit the store. People-focus relationship describes the interaction between customer and employee. Social exchange theory states consumers stand to gain more from information exchange, shared experiences, or better service from their contact with employees (Sirgy 1990).

This study adopts three types of service industries, "moderate contact, semi-customization, non-personal services" (such as automobile maintenance and repair), "moderate contact and standardized services" (such as fast-food restaurant), and "high-contact, customization, personal services" (such as full service hotel), which were proposed by Bowen (1990). A field survey of 43, 62, and 53 real consumers responded to a questionnaires designed for automobile maintenance and repair, fast-food restaurant, and full service hotel, respectively. Respondents were asked to self-retrieve a specific and most familiar brand in the appropriate industry. Keeping a specific brand in mind can help respondents to concentrate on a certain relationship while answering the questionnaire. Respondents were encouraged to reflect on their shopping experiences. The foci of consumer-chain relationship (i.e., brand-focus, store-focus, and people-

focus relationship) were evaluated based on respondents' perceptions of their relationship with the retailer. Measurement items were taken and amended from various studies according to the characteristics of each industry.

Referring to automobile maintenance and repair, dealership is the critical factor for this industry, so brand-focus relationship should be important. Store-focus relationship was also expected to be important because the stores' machines and equipments restrict consumers' choice. After including the control variables (i.e., respondent's gender and age) store-focus and brand-focus level are positively correlated to the satisfaction level (at $\alpha = .05$). Perhaps, because the automobile maintenance and repair service embeds safety issues, respondents' complaint rate is not significantly related to any variable. Respondents complain when they are not satisfied with the service no matter in which type of relationship.

It is proposed that the relationship between consumers and fast-food restaurant is likely to be a brand-focus relationship due to the standardized service and food quality. Thus, brand image plays an important role. Other than the control variables (which are respondent's gender and age), brand-focus and people-focus levels are positive correlated to respondents' satisfaction level (at $\alpha = .05$) in the regression model. In contrast, store-focus level is negatively related to consumer satisfaction. The results of estimations of a logistic model for complaint behavior show that higher people-focus level is more likely to increase the respondent's complaint probability when they are not satisfied. Consumers who have dominative people-focus relationship complain more than those with store- and brand-focus relationship. It is possible that consumers can easily accept the quality of the standardized food offered by one fast-food chain store. However, poor service is hard to accept.

For the full service hotel industry, people-focus relationship was anticipated to be the key factor of consumer satisfaction because the service delivery is heavily dependent on front-line employees. People-focus and store-focus level are positively, and brand-focus relationship level is negatively correlated to respondents' satisfaction level (at $\alpha = .05$) controlling for respondent's gender and age. The results of estimations of a logistic model for complaint behavior show that store-focus level is likely to raise the probability of respondents' complaining. Consumers who have dominative store-focus relationship complain more than those with other types of relationship. The implication is that respondents tend not to tolerant unsatisfactory service when they tied to the hotel branch.

The current exploratory research takes a new approach by distinguishing three elements, brand, branch store, and service provider when analyzing degree of satisfaction and complaint rate in different service industries. Results reveal that consumers evaluate different chain systems differently, depending on the nature of the chain system. It is possible that consumers hold different expectations of various chain systems, so the foci of their satisfaction level are also different. It could be the brand, the store, and/or the employee. On the other hand, the determinants of consumers' complaint behavior are more complicated than we expected.

Complaint behavior might be explained more via consumers' personality and the significance of the product. It is worthwhile to further explore the target of complaint action when an unsatisfied customer faces a chain system.

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EXCHANGE PARTNER KNOWLEDGE AND

CONSUMER GRUDGEHOLDING

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ABSTRACT

This paper reviews current definitions of consumer grudgeholding and proposes a new, behavioral definition: "customers hold grudges when they are disposed to injure another even though they must expend resources for no positive gain for themselves." Grudges become the motive force behind an *active* effort to retaliate. Grudgeholding is thus conceptualized as a quest to restore equity and achieve justice. Consumers retaliate because, while they must pay an objective, rational cost, they get an emotional payoff in seeing an adversary suffer—up to the point where they feel equity has been reestablished. In other words, they will suffer a loss in order to inflict a loss. There are two competing theories on how people would respond to the actions of others, equity theory and utility theory. Equity theory says that people are mostly interested to balance benefits received and those given. Utility theory says they just want to optimize benefits received. We hypothesize that how well customers know their exchange partner moderates this apparent conflict and make it possible for both theories to be true—equity when the partner is known, utility when the partner is not known. The study results are consistent with this hypothesis. There is a significant difference in how much people are willing to spend to reward/punish entities when they know/don't know them. At the same time, there is no difference in how satisfied they are with the transaction per se. In other words, customers' utility doesn't vary with whether they do/don't know someone, but their willingness to expend effort to establish equity does.

CONSUMER SATISFACTION WITH HMO/PPO:

AN ANALYSIS USING THE DISCONFIRMATION OF EXPECTATIONS MODEL

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ABSTRACT

This study explores the determinants of consumer satisfaction with healthcare service providers using the "disconfirmation of expectations" model. The impact of expectation, perceived performance, perceived risk and disconfirmation on forming the satisfaction judgment for the highly involved, high-credence and ambiguous product such as healthcare services is proposed and empirically tested in this study. A revised disconfirmation of expectations model specifically for healthcare service providers [Health Maintenance Organization (HMO)/ Preferred Provider Organization (PPO)] was tested using structural equation modeling.

The results of this study found that there is an indirect path leading to consumer satisfaction. Expectation of an HMO/PPO service provide plays a role in predicting perceived performance, which directly leads to the confirmation/disconfirmation of the services provided. Whether an expectation is confirmed/disconfirmed directly predicts consumer satisfaction with their HMO/PPO. Practical implications for healthcare providers are discussed in order to increase repeat patronage and also to attract new members.

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WHY DON'T PATIENTS COMPLAIN?

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ABSTRACT

Many previous studies focus on exploring consumers complaining behavior when faced with dissatisfaction, but the antecedences of non-complaining behavior have received little attention. Therefore, this research investigated the effects of switching costs and individual capital on consumer non-complaining behavior in patient-doctor relationships.

Switching costs can be defined as the costs involved in changing from one service provider to another (Porter 1980), and it is considered the barrier in service relationships (Jones, Mothersbaugh, and Beatty 2002). Patients who are dissatisfied complain less in the medical care industry (Hirschman 1970) because they cannot detect failure of service due to limited information or having less alternatives. Moreover, the well established patient-doctor relationship, familiar service process, and thorough examination records cause lock-in effects and restrict the selection of medical centers. When patients feel dissatisfied, they might avoid accommodating to prevent the conditions from getting worse, according to the conflict model. Hence, it is expected that switching cost is positively related to non-complaining behavior.

Individual capitals include social capital, culture capital, and financial capital (e.g., Bourdieu 1984; Chenoweth and Stehlik 2004; Lin 1999; Ostrower 1998). Social capital may be defined operationally as the resources embedded in social networks accessed and used for actions (Lin 2001). Cultural capital refers to the knowledge, skills, and forms of expression that are culturally valued (Chenoweth and Stehlik 2004). Financial capital can be defined as the family's wealth or income (Coleman 1988). Previous studies indicated that different classes exhibit different lifestyles that in some sense reflect their class position in society due to differing levels of social, economic, and cultural capital (Bourdieu 1984; Tomlinson 2003). Research by Mckee (2002) has also shown that the benefits of modern healthcare do not benefit all groups equally. Therefore, hospitals are more likely to provide a high quality of service to complainers who have a high class position. We hypothesized that dissatisfied patients' capitals have negative effects on non-complaining behavior.

Consumers' complaining attitude and situational factors are also considered the determinants on consumer non-complaining behavior. Prior complaining knowledge and experience affect complaining attitude. Therefore, when consumers learned more about the response mechanism, understand the method of complaining, or have a positive complaining experience, they tend to express their opinion (Kim et al. 2003).

The importance of the consumption event, the perceived cost of complaining, and the success rate of complaining are situational factors (Day 1984). The importance of the consumption event refers to the subjective defined value of the product and service (Blodgett et al. 1995). The more important the event, the less response action taken. The efforts and time a consumer invests while complaining is termed perceived cost of complaining (Singh 1989). Consumers evaluate the cost and benefit of taking a complaint action to determine whether to do so. Success rate of complaining is the consumers' perception of gaining the indemnity from business, such as refund, exchange, or apology (Singh 1990). Hence, the higher the success rate of complaining, the fewer non-complaining behaviors.

Two hundred and eighty three hospitalized patients' family members responded to the questionnaires according to the patients' situation and the respondents' perception. The measurement items were taken and amended from varied studies. Patients' gender, age, indigenous identity, and satisfaction level were included as control variables.

The results of multiple regressions reveal that when patients perceived higher switching cost in dissatisfactory conditions, they tended to keep silent to avoid breaking the well-established patient-doctor relationship. Moreover, individual capital, which symbolized personal condition characteristics, significantly explained the variance in non-complaining behavior. Respondents who had higher culture capital (especially in education, social capital (resource), and financial capital were more likely to express their dissatisfaction. Furthermore, the more effort and time the consumers spent complaining, the less likely they were to complain.

Indigenous respondents were likely to keep silent when dissatisfied due to their minority status and lower individual capital. When respondents considered themselves to have higher satisfaction level in the patient-doctor relationship, they were willing to respond. The possible explanation is that patients felt compassion from the medical center and assumed the hospital would like to deal with the problems.

The present study evidences that switching cost and individual capital are critical determinants on non-complaining behavior while previous studies cannot find significant contribution of demographic profile and characteristic of respondents on complaint behavior. That "no news is good news" is not always good for business. Since high switching cost is embedded in the medical care industry, this implies that patients are locked-in to the established relationship; administrators easily ignore unvoiced phenomena, which could cause loss of reputation and negative word-of-mouth.

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DENTAL PATIENT'S LOYALTY AND SATISFACTION

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ABSTRACT

Patient's loyalty and satisfaction are becoming more and more important indicators of dental care. These could have serious consequences for patient, and even for financial success of professional practices.

The aim of this paper is to introduce a Loyalty-Satisfaction Plan (LSP) in order to represent the relationship between Loyalty and Satisfaction and to organize different relations between satisfaction and retention. LSP is computed on two indicators to explain Patient Loyalty and Patient Satisfaction.

The data were collected during the first quarter of 2007; we have interviewed 104 patients, clients of a dentistry practice in Milan - Italy. The objective was to measure the satisfaction regarding some services (30 items) offered by the practice (reception, appointments, dentist operate...) and to relate this data with patient loyalty.

The survey was based on a questionnaire, with six position numerical scale, structured to measure satisfaction. The loyalty was investigated through same questions concerning word of mouth and years on care.

CUSTOMERS' INTERACTION SATISFACTION

IN A PSEUDO-RELATIONSHIP CONTEXT

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ABSTRACT

Customer-contact employee interactions in the service delivery process are occasions for interpersonal interaction between the customer and the employees of the firm or service provider that offer opportunities for creating/experiencing satisfaction and/or dissatisfaction with the interaction itself. Present study explores satisfaction/dissatisfaction experienced during such interpersonal interactions in a pseudo-relationship context and makes an attempt to establish interaction satisfaction as a unique concept. Towards this end present study introduces, defines, and describes interaction satisfaction in a pseudo-relationship context, distinguishes it from others, identifies factors that influence interaction satisfaction and provides a conceptual model to explain its formation in a pseudo-relationship context. Research propositions exploring the impact of the five identified variables of - emotional tone of interactions, congeniality, responsiveness, reliability and social regard on customers' interaction satisfaction are provided, with a suggestion to test them in future research investigations.

INTRODUCTION

Interactions between a firm's employees and its customers are the "moments of truth" (Carlzon 1987) or service encounters (Czepiel, Solomon, Surprenant and Gutman 1985) where buyers and sellers meet, and engage in behaviors and activities intended to complete a transaction. These interactions are also social occasions involving interpersonal interaction between the customers and the firms' contact employees (Czepiel 1990). How customers feel about these interactions with the contact employees of the firm influences their behavioral responses toward the employees and the organization (Wong 2004). Good employee behavior during customer-contact employee interactions has been found to promote positive feelings (in the customer) toward the contact employee, develop stronger customer-firm relationships, and make the customer more committed toward the organization (Liljander and Strandvik 1995). Indifferent and rude employee behavior on the other hand, has been found to cause customers to quit the relationship and cease all future transactions with the organization (Hess, Ganesan and Klein 2007). Empirical investigations undertaken earlier, indicate that customer-contact employee interaction failures (Hess et al. 2007) account for as much as 32% of unsatisfactory service experience (Bitner, Booms and Tetreault 1990), and make up nearly 34% of the factors causing customers to switch providers (Keaveney 1995). Customers' experiences with the firms' employees and the satisfaction/dissatisfaction felt by them during customer-contact employee interactions have been

found to play a crucial role in the formation and enhancement of exchange relationships (Czepiel 1990). In the light of the fact that customer-contact employee interactions have significant outcomes (both positive and negative), it is suggested that an investigation of the factors that influence customers' interaction satisfaction would prove useful in managing customer-contact employee interactions and in fostering positive behavioral responses toward the firm or organization.

While the study of customer-contact employee interactions has received much attention in marketing literature (Butcher, Sparks and O'Callaghan 2002), available studies do not offer any models that describe the formation of customers' interaction satisfaction and/or explain the role of pertinent factors in influencing customers' satisfaction during customer-contact employee interactions. With an intention of overcoming this failing in literature a conceptual model is proposed in the present study that attempts to explain the formation of customers' interaction satisfaction in a pseudo-relationship context. Pseudo-relationships may be understood as special kinds of service encounters where repeated interactions take place between the customer and the service provider but with different service workers each time. In pseudo-relationships, the customer does not get to know any individual service worker over time but identifies with the embedding service organization (Gutek, Bhappu, Liao-Troth and Cherry 1999). Such interactions though not a relationship in the true sense of the word, provide a semblance of a relationship to the customer. Since, commercial interactions in today's world are becoming more and more pseudo-relational in character (Gutek et al. 1999) formation of customers' interaction satisfaction is investigated in a pseudo-relationship context, in the present study.

Interaction Satisfaction

Interaction satisfaction in the present study may be understood as the overall satisfaction experienced by the customer in his/her interpersonal interaction with the contact employees of a firm, over repeated interaction episodes. Interaction satisfaction in this sense is contingent upon the quality of interpersonal/human interaction that takes place between the customers and the firms' contact employees, and is essentially distinct from the satisfaction derived by customers through product or service consumption. In a service industry context, interaction satisfaction is not a reflection of the customers' satisfaction with the technical aspects of the service but with the functional and more importantly the emotional aspects (Barnes 2003) of service delivery and consumption. The extent to which customers feel satisfied in these interactions would be largely determined by the extent to which firms' employees exhibit reliability, responsiveness, respect and appreciation toward the customers, and make them feel important, valued and special (Barnes 2003). It seems pertinent at this juncture to mention that interaction satisfaction as used in the present study is distinct from interpersonal satisfaction described by Preis (2003). Interpersonal satisfaction as per Preis (2003) is the gratification that buyers receive from relationships with sales people. Distinct from this understanding of interpersonal satisfaction, interaction satisfaction is the gratification received by a customer over repeated interactions with different contact employees of a firm, over time. It is important to remember that in a pseudo-relationship context the customer does not get to know any individual service worker over time but identifies with the embedding service organization (Gutek et al. 1999). Hence, interaction

satisfaction experienced by a customer is not on account of good interpersonal relationship with any employee but due to good interpersonal interactions with the employees of a firm or service provider.

It may be further noted that interaction satisfaction is distinct from encounter satisfaction. While, encounter satisfaction or transaction-specific satisfaction is the satisfaction experienced by customers during discrete service encounters or single interaction episodes; interaction satisfaction in the present study refers to the feeling of overall satisfaction or dissatisfaction (Parasuraman, Zeithaml and Berry 1994; Teas 1993) experienced by the customers over all previous interactions and experiences with the employees of the firm. Interaction satisfaction in this sense is the function of satisfaction experienced by the customers during customer-contact employee interactions, over multiple interaction episodes or encounters (Bitner and Hubbert 1994). Solomon, Surprenant, Czepiel and Gutman (1985), note that customer satisfaction with service encounters is a function of the congruence between perceived service behavior (as against actual behavior displayed by the contact employees) and service behavior expectations of the customers. Following Solomon et al. (1985) we propose that interaction satisfaction experienced by the customers' would be a function of the equivalence between their perception of the contact-employees service behaviors (as against actual behaviors) and their expectation of service behavior from the firms' employees, during the service delivery process. Finally, since customer-contact employee interactions are not just occasions for transacting business - involving cognitive, left-brained objective components; but also occasions for social/human interaction - involving emotional, right-brained, subjective components (Czepiel 1990); satisfaction experienced by customers during such interactions with the contact-employees would be an outcome of both cognitive and affective/emotional evaluations made by them, of the interaction experience.

Factors Influencing Interaction Satisfaction

Primary task of frontline employees or contact employees of an organization is not to produce material goods, but to demonstrate through their speech, actions and emotions their willingness to serve or do things for their clients and their customers (Bulan, Erickson and Wharton 1997). Grönroos (1978) and Parasuraman et al. (1994) are of the view that the manner in which contact employees of a firm interact with the customers, and the behaviors they exhibit during these interactions, influences customers' perception of service quality and their overall satisfaction with the service provider. Such a view is supported by Crosby, Evans and Cowles (1990) who found that cognitive evaluations and perceptions of contact employees' performance determine customers' satisfaction both in a service encounter and a relationship context. Bitner (1990) and Beatty, Mayer, Coleman, Reynolds and Lee (1996) claim that service behaviors exhibited by frontline employees during service interactions are crucial as they are concerned with addressing customers' needs and requirements, redressing their grievances and making them feel important (Butcher, Sparks and O'Callaghan 2001). Significance of contact employees service behaviors may be assessed from the fact that even when facilities are spotless and services are delivered on time; if the customer leaves with a negative impression (formed on account of rude, insincere behavior of the firms' employees), all the other efforts get overlooked and wasted (Solomon et

al. 1985). Behaviors of frontline employees may hence be said to be quite critical to customers' evaluation of service encounters (Hartline, Maxham and McKee 2000), and may be expected to play a crucial role in determining customers' interaction satisfaction. Service behaviors relating to - civility, courtesy, formality, concern, congeniality, friendliness, helpfulness, politeness, responsiveness, competence, empathy, authenticity, etc. have been identified by researchers - Malhotra, Ulgado, Agarwal and Baalbaki (1994), Parasuraman, Zeithaml and Berry (1988) and Winsted (2000) as having significant influence on customers assessment of service quality, satisfaction and patronage intentions. An investigation of the service behaviors of congeniality, responsiveness, reliability and social regard that are more suited to a pseudo-relationship context is proposed in the present study.

Congeniality may be understood as a requirement on the part of the contact employees to be pleasant to customers and clients; acknowledge their presence, and serve them with a smile (Butcher et al. 2002). Cheerful facial expressions, happy disposition, and all such behaviors that reflect positive attitude and sunny temperament show congeniality (Winsted 2000).

Responsiveness may be described as willingness on the part of the contact employees to help or assist customers and to provide them prompt service (Parasuraman et al. 1988) when needed. Responsiveness requires service employees to deliver timely and substantive responses to general enquiries and complaints (Malhotra et al. 1994). It follows then that employees who are responsive, would exhibit all such behaviors that reflect speed and efficiency and willingness to assist customers during interactions.

Reliability may be understood as the consistency of one's performance and the ability of an individual to gain another person's trust and confidence that he/she can be relied upon to perform the promised service both dependably and accurately (Parasuraman et al. 1988). Reliability necessarily implies that, concerned individuals would meet commitments and honor the promises made (Mittal and Lasser 1996).

Social Regard is concerned with treating customers in a respectful manner, showing deference and interest so that the customer feels valued and important (Butcher, Spark and O'Callaghan 2003). It requires service employees to show - courtesy, politeness and thoughtfulness towards customers and to express genuine behavior (Bitrian and Hoech 1990; Mohr and Bitner 1995). Social regard essentially requires service employees to treat their customers "as any person would like to be treated and that is with respect" (Aaker 1991).

Additionally, interactions between the customer and the contact-employees offer valuable opportunities to the firms and their employees, to create emotional value for the customers (Barnes 2003). Price, Arnould and Deibler (1995) state that the manner in which contact employees interact with the customers has the potential to evoke a variety of emotional responses that range from anger, sadness and regret, to pleasure, elation, confidence and affection. These emotions once formed have the potential to influence customers overall satisfaction and consumption experience (Tomkins 1980). Significance of these emotions in influencing customer satisfaction is acknowledged by researchers (Westbrook 1980; Westbrook and Oliver

1991), who state that customers' satisfaction with the service encounter maybe better understood by investigating the emotional content of customers' experience. Emotional tone of interactions that refers to the overall emotion felt by an individual customer over all previous interaction episodes (as distinct from emotions experienced by the customer during individual interaction episodes) with the contact employees of a firm or organization may thus be expected to play a key role in determining customers' interaction satisfaction.

Conceptual model portraying the nature and direction of the impact of the identified variables on customers' interaction satisfaction is shown in Figure 1. The model essentially depicts customers' interaction satisfaction in a pseudo-relationship context.

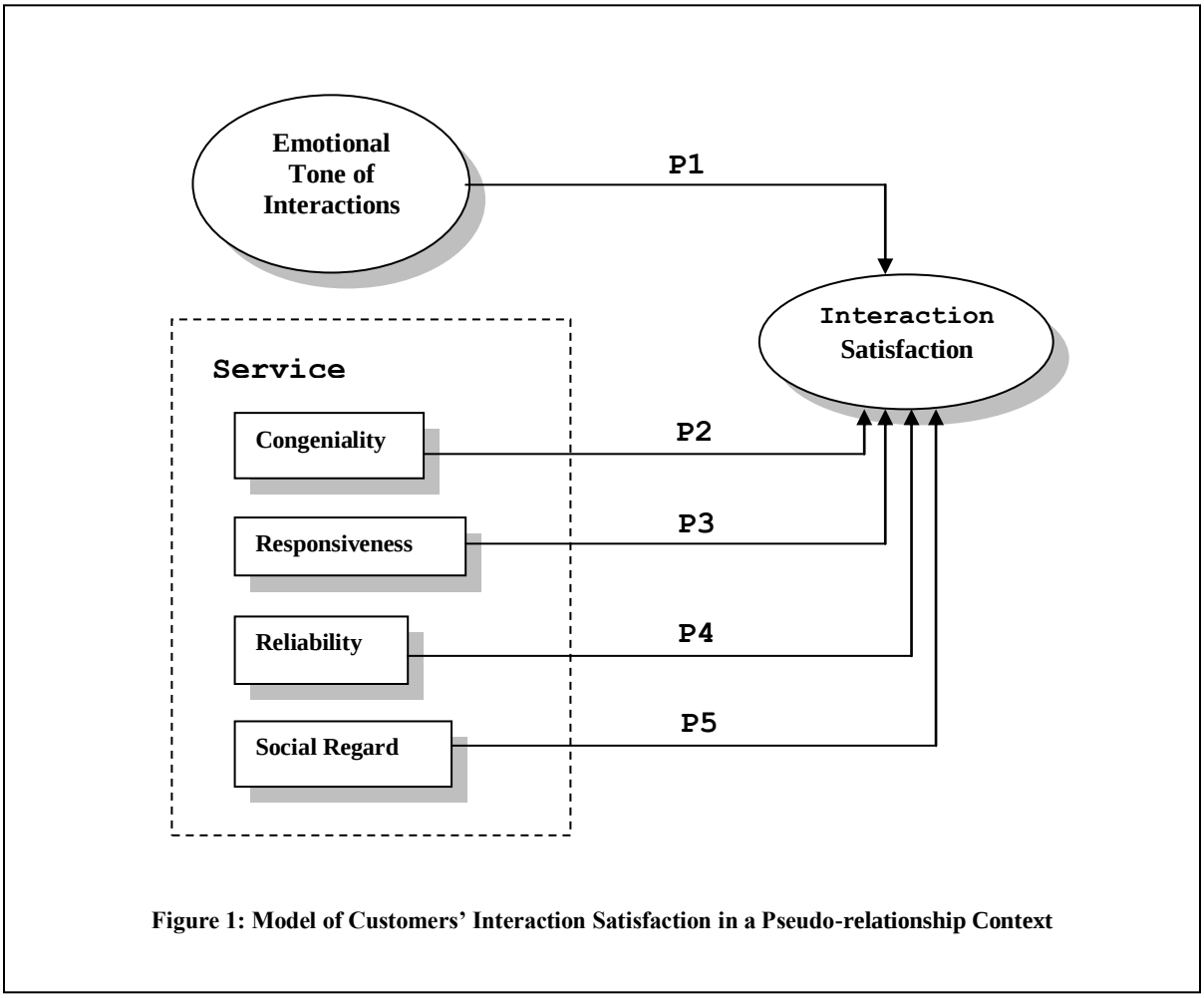

Figure 1: Model of Customers' Interaction Satisfaction in a Pseudo-relationship Context

RESEARCH PROPOSITIONS

Impact of Emotional Tone of Interactions

While, the debate on whether satisfaction is itself an emotional construct or a cognitive construct which includes an emotional component (Babin and Griffin 1998, Bagozzi, Gopinath and Nyer 1999) continues in consumer behavior literature; Writz and Bateson (1999) have suggested that satisfaction is a partly cognitive and partly affective (emotional) evaluation of the consumption experience. Their views find support in Oliver (1997) who suggests that emotional evaluation of a consumption experience coexists alongside cognitive evaluations and impacts customer satisfaction. Furthermore, several studies in consumer behavior literature also reveal an independent and direct influence of customers' emotional response on satisfaction (Dawson, Bloch and Ridgway 1990; Mano and Oliver 1993; Westbrook 1987; Westbrook and Oliver 1991; Writz, Mattila and Tan 2000).

Given that considerable proof of the influence of emotions on customer satisfaction is available in relevant literature. A strong case exists for modeling emotions as an important determinant of satisfaction (Liljander and Strandvik 1997) in customer-contact employee interactions. Present study therefore proposes that:

P1: Emotional tone of interactions will have a positive, direct impact on customers' interaction satisfaction.

Impact of Service Behaviors

Studies investigating the impact of critical incidents (e.g., Keaveney 1995) on customers' satisfaction and/or dissatisfaction in service settings have revealed that customers' evaluations of services are determined not just by the quality of the core service delivered but also the manner in which the service employees interact and/or deal with their customers (Bitner et al. 1990). By understanding and responding to the needs and concerns of the customers, contact employees may influence the level of satisfaction experienced by them (Beatty et al. 1996; Bendapudi and Berry 1997). Also, the manner in which contact employees deliver service or provide assistance to the customers' also influences customer satisfaction (Grace and O'Cass 2005). Mittal and Lasser (1996) observe that social aspects of interpersonal interactions play a crucial role in determining customer satisfaction. Employees' service behaviors during customer-contact employee interactions may thus be expected to play a significant role in creating satisfied customers (Crosby and Stephens 1987; Dolen, de Ruyter and Lemmink 2004; Parasuraman, Zeithaml and Berry 1985; Solomon et al. 1985). Beatty et al. (1996) found this to be true in both customer-firm relationships, where service encounters with many employees is most often the scenario, and one-to-one customer-employee relationships where repeated encounters take place between the customer and an identified employee of the firm.

Significance of service behaviors in creating customer satisfaction and in influencing customers' perception of the service delivery process has been empirically verified in life insurance industry (Crosby and Stephens 1987), medical services (Brown and Swartz 1989), and retailing context (Westbrook 1981). Given the significance of employees' behavior in creating customer satisfaction, an investigation of employees' behaviors that reflect - congeniality, responsiveness, reliability and social regard for the customer, is proposed.

Congeniality

In a qualitative study undertaken by Butcher et al. (2003) customers revealed that they looked for "a nice smile and just as simple…friendly expression" on the face of the contact employees during interaction. Informants said that they did not want the employees to wear "an impatient look on their faces" that made them feel as if the contact employees "were wasting their time" in trying to help them. Soderlund and Rosengren (2004) found that customers' assessment of the joyfulness of the service employee in interactions during the service delivery process influenced their feeling of joy, which in turn affected the level of satisfaction experienced by them. Winsted (2000) identified congeniality as one of the three dimensions of service behavior that together explained nearly 75 percent of the variance in encounter satisfaction in a regression analysis and successfully predicted satisfaction levels in more than 95 percent of the cases in a discriminant analysis. It is therefore proposed that:

P2: Contact employees' behaviors that reflect congeniality
will have a positive, direct impact on customers' interaction satisfaction.

Responsiveness

Responsiveness has been identified as a major source of customer satisfaction, the lack of which causes considerable dissatisfaction (Johnston 1995). Significance of responsiveness in creating customer satisfaction was established in a study undertaken by Bitner et al. (1990) where contact employees' responses were identified as a major cause of satisfactory and dissatisfactory incidents. Detailed analyses done by the researchers revealed that the manner in which the employees' responded to service delivery system failures and accommodated the "special needs" of the customers having medical, dietary and psychological, language, or sociological difficulties; had a significant impact on customers satisfaction/dissatisfaction. Failure on the part of the service employees to recognize the seriousness of customers' needs and to provide an appropriate and adequate response to their requests was found to cause considerable dissatisfaction among the customers. On the contrary, acknowledgment of, and success in accommodating customers special needs by adapting the service delivery system to take care of customers' unique needs, helped in making the incident satisfying and memorable for the customers (Bitner et al. 1990). In a study undertaken by Tippins, Su and Ze (1998) responsive behavior displayed by the employees was identified as one of the two strong predictors (empathy being the other) of customer satisfaction. This is corroborated by Berry (1983) who found employees' responsiveness to play a constructive role in creating customer satisfaction. It is therefore proposed that:

P3: Contact employees' behaviors that reflect responsiveness
will have a positive, direct impact on customers' interaction satisfaction.

Reliability

Customers have been found to attach considerable importance to the dependability or reliability of service employees when buying goods and services from a store (Hawes, Rao and Baker 1993). Further, service quality that is an important determinant of customers' satisfaction and their decision to form long-term relationships has been found to be significantly influenced by customers' perception regarding the reliability of service employees' performance (Dabholkar, Thorpe and Rentz 1996; Mittal and Lasser 1996; Parasuraman et al. 1988). Service behaviors that make the customers feel that the employee or the service worker can be relied and depended upon may hence be expected to have a significant impact on the interaction satisfaction experienced by them during customer-contact employee interactions. It is therefore proposed that:

P4: Contact employees' behaviors that reflect reliability,
will have a positive, direct impact on customers' interaction satisfaction.

Social Regard

In a qualitative study undertaken by Butcher et al. (2003) the informants' expressed their appreciation for social regard, respect and deference displayed towards them by the firms' employees. In particular, the respondents expressed a deep concern for being treated in a respectful manner and for being accorded importance. In a survey conducted later, Butcher et al. (2003) found social regard to be an important factor explaining customers' satisfaction with an encounter next only to perceived core service quality. In an investigation made by Beatty et al. (1996) it was found that customers' became close with those employees who displayed genuine respect towards them as customers. Several other empirical investigations reported in literature support the influence of civility (Dolen et al. 2004; Winsted 2000), formality and courtesy (Winsted 1999) on customers' satisfaction with the organization (Maxham and Netemeyer 2003). In the light of these findings, it is proposed that:

P5: Contact employees' behaviors that display social regard
will have a positive, direct impact on customers' interaction satisfaction.

CONCLUDING REMARKS AND FUTURE RESEARCH

Primary concern of the present study was to conceptualize customers' interaction satisfaction and to provide a conceptual framework that would help in explaining the processes involved in the formation of customers' interaction satisfaction in a pseudo-relationship context. The study not only provides such a conceptual framework but also makes substantive efforts toward developing a sound understanding and appreciation of the concept of interaction satisfaction in a pseudo-relationship context. Toward this end the study defines interaction satisfaction, explains the concept of interaction satisfaction and provides detailed description of the same. The study distinguishes interaction satisfaction from encounter/transaction specific satisfaction, interpersonal satisfaction, and product and service satisfaction to establish interaction satisfaction as a unique concept, having a distinct identity of its own. Besides this, the study identifies a number of factors that impact customers' interaction satisfaction in a pseudo-relationship context. These include - emotional tone of interactions and contact employees service behaviors of - congeniality, responsiveness, reliability and social regard. Research propositions stating the expected nature and direction of impact of these factors on customers' interaction satisfaction are provided with due support from literature. These propositions however, need to be tested and empirically validated through future research investigations.

Empirical investigation of the suggested research propositions is expected to provide valuable information about the role and importance of each of the five variables in influencing customers' interaction satisfaction in a pseudo-relationship context. Such information would not only help in understanding the relative significance of each of the five variables in determining customers' interaction satisfaction but would also motivate marketers to improve contact employees service behaviors and skills through suitable employee training and motivation programs. Empirical investigation of the propositions made in the present study would also facilitate the strategic use of contact employees' service behaviors for improving customer satisfaction and experiences. Empirical investigation of the research propositions made in the present study and validation of the proposed structural model of customers' interaction satisfaction in a pseudo-relationship context is therefore strongly recommended.

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