WHEN SOCIAL TIES BIND: AN EXPLORATION OF THE ADVERSE EFFECTS OF USING SOCIAL RELATIONSHIPS TO MAKE PURCHASES

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ABSTRACT
In this paper, we extend previous research on social capital in the consumer domain by exploring the negative effects of consumers’ use of social relationships to facilitate purchases. Although social capital research focuses primarily on the positive benefits derived from using social relationships, our research uncovers unintended negative consequences for consumers who draw upon such relationships to make purchases. Using a grounded theory methodology, we identify three categories of negative outcomes that can arise when consumers use social relationships for consumption purposes: recourse restraint, trust decay, and relationship atrophy. In addition, we identify possible higher order relationships among these negative outcome categories and we link them to important marketing outcomes, such as customer complaining behavior, satisfaction, and loyalty. Ultimately, our findings contribute to relationship marketing and social capital theory by highlighting and examining this overlooked dimension of consumer social capital behavior. Identifying these negative consequences and their impact on consumers and firms provides marketing scholars and practitioners with an enhanced conceptual foundation for studying and managing important marketing relationships.

INTRODUCTION
Given the influence of social ties in market cultures, many consumers draw upon social relationships to purchase everyday products and services (DiMaggio and Louch 1998; Frenzen and Davis 1990). While marketing scholars have recently begun to address the basic questions of whether and why consumers leverage pre-existing personal relationships in the marketplace (Johnson and Ross 2014), there is essentially no research aimed at understanding any negative implications of such behaviors for consumers specifically. As a basis for exploring the negative consequences of incorporating social relationships into consumption experiences, we draw upon the individualistic branch of social capital theory, which explains how individuals obtain benefits or returns as a result of their social relationships with others (Lin 2001; Portes 1998).

Because social capital research in the social sciences, in general, and in the consumer domain, in particular, has predominantly focused on the positive outcomes of this behavior, the primary objectives of this paper are to identify the potential negative outcomes of consumer social capital usage, and to explore how these outcomes relate to one another and to other important marketing constructs, such as complaining behavior and satisfaction. Ultimately, uncovering and explaining these negative outcomes becomes important if scholars are to begin to fully understand the influence of social relationships on consumers' experiences and behaviors.

The investigation of social relationships as the basis for studying the negative outcomes associated with marketing relationships has several advantages. First, it examines relationships that are typically more developed because they form and mature first in the social sphere before they are used for consumption. For the purposes of our study, social relationships are those that pre-date participants' consumption experiences. That is, they existed first as social relationships (i.e., friendships) before they were used for commercial purposes. Second, because many marketing related relationships do not reach advanced levels of relationship development (Price and Arnould 1999), social relationships provide an opportunity to examine elements that may be missing from existing marketing relationship frameworks. Examining developed social relationships reveals insights that might otherwise be obscured by the type or the level of maturity of traditional commercial relationships. Finally, examining social relationships provides an opportunity to study and extend social capital theory, while also examining a new and important category of marketing relationships. Ultimately, examining social relationships...
relationships used for consumption purposes provides an important starting point for examining the potential negative outcomes that might result from various types of marketing relationships.

This study makes four important contributions. First, it highlights the notion that social capital usage may not be the panacea that research often portrays it to be; we show that social capital usage may sometimes result in negative outcomes for individuals. Second, this study extends previous research on social relationships in the marketplace by identifying three specific types of negative outcomes experienced by consumers using social capital for consumption purposes. Third, this study demonstrates that these negative outcomes can occur for individuals, not just for the groups or communities in which they associate, as has been suggested by previous social capital research. Fourth, it highlights the potential impact of these negative outcomes on consumers’ purchase experiences, particularly regarding customer complaining behavior and customer satisfaction. When considered collectively, our findings have important implications for both consumer behavior and for social capital research in general.

**LITERATURE REVIEW**

**Social Capital Theory**

Social capital theory provides a unique perspective for investigating the interaction between social relationships and individual behaviors. Generally speaking, scholars tend to examine social capital from one of two perspectives (Portes 2000), typically focusing on individual actors and their social connections (Bourdieu 1986; Coleman 1988; Lin 2001), or on collectives (Putnam 1993, 1995; Temkin and Rohe, 1998). The first approach examines the different outcomes obtained by individuals as a result of their social relationships, whereas the second approach examines the effects of social ties on groups and communities. Because our study focuses on consumers as individuals, we focus on the individualistic strain of social capital theory to guide our study.

From the individualist perspective, social capital is conceptualized as the potential resources--advice, information, support, and opportunities--(Burt 2000; Lin 2001) embedded in an individual's relationships with others. As such, the theory focuses on these embedded resources and how they can be used to yield returns. These resources are considered to be social assets because they can only be accessed through direct and indirect social ties with other individuals. Ultimately, social capital is housed within an individual's network of interpersonal relationships. It is only through social interactions that social capital exists and provides benefits to its users (Coleman 1988; Lin 2001; Portes 1998).

Similar to other forms of capital, substantial variation exists among individuals with respect to the amount of social capital they possess. This variation is a result of differences in the structure of social relationships along several dimensions, including: (1) the number of personal relationships, (2) the strength of the relationships, and (3) the diversity of the relationships (Baker 2000; Burt 2000; Granovetter 1973, 1985; Lin 2001). Consequently, the composition of an individual's social relationships -- with whom the individual interacts, the frequency of the interactions, and the type of interaction -- largely defines the social capital available to the individual. Individuals with a favorable assortment of relationships are likely to have access to greater resources, thus allowing them to obtain favorable outcomes.

**Social Capital Outcomes**

In addition to the numerous studies across the social sciences demonstrating the positive returns obtained by individuals using social capital, marketing scholars have also begun to examine the impact of social capital in the consumer domain. For example, researchers have recently identified a number of positive outcomes resulting from the use of social relationships by consumers. These benefits include: (1) resource preservation, in which consumers save time or money by using social relationships to make purchases, (2) knowledge acquisition, which is gained from receiving information about products, services, or purchasing processes, and (3) favoritism, which results when they receive preferential treatment not available to other customers. Receiving these benefits contributes to customer satisfaction, both directly and indirectly, via the aforementioned outcomes (Johnson and Ross 2014).

**Negative Social Capital Outcomes?**

Not surprisingly, across various disciplines, scholars have focused on the positive returns yielded by social capital to its users, portraying the phenomenon as a sovereign remedy for improving everything from
obtaining employment to making purchases. While the positive benefits of this behavior are well-documented across the social sciences, the complexity of the social interactions and personal relationships which define social capital make it unlikely that using social relationships only results in favorable outcomes for the individuals involved.

Interestingly, social capital scholars have recently started to note potential negative outcomes for the larger social group involved, when collective forms of social capital are used. For example, collective social capital can sometimes lead to conspiracies against the public good when certain groups exclude outsiders, as in the case of particular ethnic groups dominating certain occupations or industries (Portes and Landolt 1996; Portes and Sensenbrenner 1993). In addition, collective social capital can create downward leveling pressures, in which “the same kinds of ties that sometimes yield ‘public goods’ also produce ‘public bads’: mafia families, prostitution rings, and youth gangs,” which keep members of oppressed social groups in the same situation as their peers (Portes and Landolt 1996, p. 22; Portes and Sensenbrenner 1993).

Further, communal forms of social capital can also indirectly influence the individuals by restricting or constraining their freedom through adherence to community norms (Granovetter 1985; Portes and Landolt 1996; Portes and Sensenbrenner 1993). Therefore, while social capital scholars have not thoroughly addressed negative outcomes from an individualistic perspective, these findings indicate that negative outcomes may indeed be possible.

Along these lines, several marketing studies have alluded to less than favorable outcomes resulting from relationships in consumption settings. Although these outcomes were not specifically examined in the context of social capital, scholars have noted that marketing relationships have the potential to create relationship conflict, particularly when the boundaries of such relationships move beyond the commercial realm (Goodwin 1996; Grayson 2007; Price and Arnould 1999). Conflict, derived from relationship change, can occur for various reasons, such as the misinterpretation of social cues by the parties involved (Goodwin 1996), role conflict (Grayson 2007), or perceptual differences regarding relationship framing and relationship norms (Johar 2005; McGraw and Tetlock 2005). For reasons such as these, marketing scholars are also beginning to note the unintended outcomes associated with the development of long term commercial relationships (Brady, Vorhees, and Brusco 2012; Grayson and Ambler 1999; Palmatier et al 2008; Wuyts and Geyskens 2005; Wuyts, Verhoef, and Prins 2009).

Given the potential for unfavorable outcomes, in the remainder of this paper we seek to understand these types of events for consumers. We do so by identifying and categorizing the negative outcomes obtained by consumers using pre-existing social relationships to purchase products and services. Because the negative consequences of using pre-existing social relationships to make purchases have not been examined, we also discuss how they may impact consumers’ purchase experiences and subsequent interactions with individuals and firms. Ultimately these negative consequences represent a new dimension of social capital outcomes for individuals, which extends social capital theory in general, and within marketing, in particular.

STUDY DESIGN, DATA COLLECTION, AND DATA ANALYSIS

Although there has been considerable social capital related research across the social science disciplines, negative social capital outcomes for individuals have been understudied, in general, and they have not been identified at all in purchasing contexts. Thus, because specific negative outcomes resulting from social capital usage cannot be identified a priori, we used grounded theory because it can identify negative outcomes from consumers’ narratives of their social capital consumption experiences (Edmondson and McManus 2007). By interpreting consumers’ narratives of their experiences, grounded theory allows us to develop novel theoretical understanding from consumers’ actual experiences. Grounded theory allows important constructs and relationships to emerge from the data without the researchers’ foreknowledge of them (Strauss and Corbin 1998) and can reveal discrepancies from existing theory. At the outset, we were not sure that consumers would experience negative outcomes from using social relationships to make purchases, nor did we understand what those outcomes would entail. These emerged organically from participants’ accounts as we explored the outcomes resulting from social capital. In this respect, the use of grounded theory allowed us to uncover evidence beyond the positive outcomes typically associated with social capital theory.
To begin data collection, we selected participants using theoretical sampling, which calls for collecting pertinent data to elaborate and refine categories in the emerging theory (Glaser and Strauss 1967; Strauss and Corbin 1998). We began by selecting individuals who were known to the authors to use social relationships to make purchases. We then augmented our sample by leveraging our initial participants’ knowledge through snowball sampling techniques (Neuman 2000); several participants suggested friends or relatives they knew to use social relationships to make purchases. Finally, we recruited additional participants, believed to employ social capital, using a heterogeneity sampling procedure to represent a wide array of demographic profiles (Patton 1990). As we iterated between data collection and analysis, we discovered negative outcomes in consumers’ experiences (Charmaz 2006; Glaser and Strauss 1967).

We conducted semi-structured depth interviews (see Appendix) with 26 U.S. consumers. The average interview time was approximately one hour. The interviews were digitally recorded and later transcribed to ensure the accuracy of participants’ accounts. Participants’ ages ranged from 23 to 83. Participants’ education levels ranged from high school degrees to doctoral degrees; disposable incomes varied from $10,000 to over $100,000 a year. In addition, participants represented different occupations and racial backgrounds. Participants shared a total of 116 consumption experiences involving social capital. Twenty of these 116 experiences involved negative outcomes (17%). Interestingly, of the 26 participants in the study, 16 experienced some type of negative outcome using social capital (62% of participants). Thus, negative experiences represent a smaller proportion of total social capital encounters, but the majority of our participants reported at least one such experience. The characteristics of the participants who reported negative experiences are reported in Table 1. Pseudonyms have been used to protect participants’ identities. Of the 20 experiences, 10 were related to products, and 10 to services. Examples of products included carpet, appliances, and homes; services included loans, rentals, and medical procedures.

To ensure trustworthiness of the data, we conducted member checks with study participants, as advocated in previous research (Belk, Sherry, and Wallendorf 1988; Lincoln and Guba 1985). To confirm data accuracy, we mailed interview transcripts to each participant and asked them whether the transcript accurately represented their thoughts and experiences. All participants responded, and several participants made additions, deletions, or clarifications.

<table>
<thead>
<tr>
<th>Name</th>
<th>Sex</th>
<th>Age</th>
<th>Race</th>
<th>Occupation</th>
<th>Education Level</th>
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<td>Bachelor's Degree</td>
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<td>Jack</td>
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<td>Bachelor's Degree</td>
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<tr>
<td>Lilian</td>
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<td>Paula</td>
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<td>Rodney</td>
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<td>Caucasian</td>
<td>Staff Assistant</td>
<td>Associates Degree</td>
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<tr>
<td>Trent</td>
<td>Male</td>
<td>36</td>
<td>Caucasian</td>
<td>PhD Student (Business)</td>
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<td>Waylon</td>
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<td>Mechanical Designer</td>
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<td>Walter</td>
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<td>Doctoral Degree</td>
<td>Over $100,000</td>
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We used NVIVO 7 by QSR International to analyze the experiences. We used open coding and then axial coding (Strauss and Corbin 1998) and followed the "constant comparative approach" (Glaser and Strauss 1967) to ensure that the emerging theory was well-grounded in the data. As new codes emerged, we returned to previously coded transcripts and reanalyzed them in light of the emerging concepts (Bantham 2010; Bergadaa 1990; Thompson, Locander, & Pollio 1990). Ultimately, the coding process allowed us to refine and condense our code list to a set of three conceptual categories.

**FINDINGS**

**Categories of Negative Social Capital Outcomes**
In the sections that follow, we present negative outcomes using three categories that resulted from our analysis. Although our analysis occurred iteratively, we present our findings sequentially to increase clarity. We discuss representative cases for each category; however, additional examples for each category are presented in Table 2.

**Recourse Restraint**
Recourse restraint emerged as one category of negative outcomes resulting from the use of social relationships to make purchases. As illustrated by the following experiences, recourse restraint represents feelings or behaviors of constraint that consumers experience when they want to address or rectify a problem related to the purchase, but social forces discourage them from doing so, because of the social relationships involved.

Bryce, a 26-year-old teacher, shared an experience using an acquaintance, who was also his friend's uncle, to build a new home for his family. Bryce’s reaction to unanticipated delays in the construction of his home reveals recourse restraint.

The house got going with the construction – well, first of all, we closed on our loan in February. February 14, it was Valentine's Day. It wasn't until almost a month and a half later before construction actually began. This is a problem because once we buy the land we start accruing interest on our loan, at least on the land part. So, we are paying interest on land that nothing's happening to it. Once construction did begin, it was very slow – weeks in between anything happening. Finally, we got on him enough that he finally started framing the house up and we got a floor down and a couple walls up. Then again, it was another, probably 4 weeks go by and nothing's happening and some of the framing, with the wind, starts to blow in and things like that. It was a tough thing. At this point, I felt like the relationship was harmful because I think it was easier for him to tell us, “I'm sorry. I can't do it right now” . . . . For instance, he was building a store in another city called Family Dollar, a little dollar store. The penalties were higher. It was a more professional relationship and it wasn't easy for him to tell them, “I've got other things going on.” At that point, it almost felt like I wish I didn't know Stewart so well because it made it hard to – because there was that relationship and we do know him, we didn't want to damage that. We were a little hesitant to be on his case too hard, when we would have liked to have been on it harder. . . . In this case, it may have hindered us, that relationship, in getting the results we wanted.

Similarly, Jordan, a 24-year-old student shared his experience trying to find a rental apartment before getting married. During a conversation with a coworker, Jordan mentioned that he and his fiancé were looking for an apartment. Because of their relationship, his coworker, who was also a property manager, bumped Jordan and his fiancé to the top of the waiting list so they could move in immediately. However, once they moved in, they began to notice problems with the apartment. Jordan’s reaction to these problems reveals the constraint that can be imposed from using social relationships in the marketplace.

Because we are friends with them they didn't really try to fix things as quickly. We have a wall, there's a closet over there, and water just leaks down the wall whenever it rains. And, there's a pipe that water just shoots out of every once in a while. . . . When you are friends with someone, it's kind of chummy, “ha ha, whatever.” And, we are less willing to harp on them sometimes because we don't want them to get offended. If you don't
<table>
<thead>
<tr>
<th>Category</th>
<th>Examples</th>
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<tbody>
<tr>
<td>RECOURSE</td>
<td>“He’s doing this for us and so maybe I better step back a little bit and not push him so hard….one of the reasons I wasn’t so on his case and getting after him so much is I felt like I owed it to him not to, because of the deal….”</td>
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<td></td>
<td>“And, we are less willing to harp on them sometimes because we don’t want them to get offended….Maybe that would go along with the whole not talking to them about the problems, just because they helped us out . . . . so we didn’t want to jump on them about stuff.”</td>
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<tr>
<td></td>
<td>“After that, this guy gives us a huge bill . . . . Since he is somebody’s friend we would not go to him and say, “Hey look. You did this thing wrong.” ”</td>
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<tr>
<td></td>
<td>“I would say it would be a little awkward, and that’s probably why I didn’t actually get as mad as I probably would have normally if it would have been someone I didn’t know.”</td>
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<tr>
<td></td>
<td>“I think it affected the way that I was—and just that friendship, it’s like, “Oh, if he doesn’t call me back I don’t want to”—because I felt like I was bugging him.”</td>
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<td></td>
<td>“So, that’s why I kind of avoided certain things. We just kind of let things go after a while . . . .”</td>
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<tr>
<td>TRUST DECAY</td>
<td>“What was affected, was the only thing, that I don’t trust his judgment 100 percent . . . . his judgment, rather than him……”</td>
</tr>
<tr>
<td></td>
<td>“The trust might not be quite as high, but I would still respect her opinion because I think she is very good.”</td>
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<tr>
<td></td>
<td>“I’ve had friends and stuff that worked at certain places….I’ve had experiences in the past where people have said that they gave me a good deal, but then I saw it on sale somewhere else and it was cheaper that what they said it cost them at their cost and so I lost trust with them.”</td>
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<td></td>
<td>“I might be a little more hesitant to as quickly take his recommendation . . . . [In another situation like this], I might give him the friendly nod and smile and then not take it as literal as I had earlier. It’s not like you’re not friends anymore because the [recommendation] wasn’t good, [but] I probably wouldn’t go with him as much in big purchases.”</td>
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<tr>
<td></td>
<td>“We got out of the whole thing . . . . without any trust left . . . .”</td>
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<td></td>
<td>“And then I didn’t trust him, either, because of that. I trusted him less.”</td>
</tr>
<tr>
<td>RELATIONSHIP ATROPHY</td>
<td>“The relationship that we have with Stewart, now, feels different. It was more of a neighborly relationship earlier, now and as time has gone on, it feels more like a business type relationship. . . . It was kind of interesting the way that changed . . . .”</td>
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<td></td>
<td>“His relationship was affected. He was very angry and he really fought with this guy who was his friend’s brother. He undermined his relationship with that guy because he was much closer to me.”</td>
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<td></td>
<td>“I think our relationship was good enough to where I don’t think he would…. [If he had sold me a bad product], I think it would have hurt our friendship. I think when you put your trust in someone, if that is broken, especially when you have a closer relationship, it can hurt it.”</td>
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<tr>
<td></td>
<td>“Whatever [relationship] this person had with us was destroyed. It had basically turned [negative].”</td>
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<td></td>
<td>“It’s definitely in the back of my mind every time I think about hooking up with the guy —grabbing lunch or a beer with him or something like that. To be honest with you, I probably haven’t reached out . . . .”</td>
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<tr>
<td></td>
<td>“Well, obviously [the relationship] would never be what it was before, because there’s just some things you can’t take back, you know.”</td>
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Note: (E, I) represents the number of unique experiences and unique individuals contributing to the categories, respectively.
know whoever your landlord is then you would [say], "Get down here and fix this now, jerk!" I work with her all the time, so you don't want it to be awkward at work all the time, and then they are in our church, so you don't want them to always be worried whenever you see them.

Trent, 36, also shared an experience in which he called upon a friend from college, who was a home builder, to purchase a new home. After living in the house for a while, Trent discovered radon gas in the basement. When he tried to install a ventilation fan to remedy the problem, he realized that the electrical junction box required to power the fan had erroneously been omitted during construction, despite being part of the building code and included on the home blue prints. Trent's reaction to this unexpected situation further highlights the constraint that some consumers feel when using social relationships to make purchases.

I thought that I could call and make an issue of this . . . or, this Saturday morning, I can go out and buy a wire — I can do that — I'm handy and can do this stuff myself, and so I never brought it up . . . . I think that if I was just an anonymous customer I probably would have just called up and been all angry and belligerent about it, you know what I mean? I just didn't want it to get back to this guy, as my buddy, like "[Trent] called and he was an ass on the phone again."

As a final example, Waylon, a 30-year-old mechanical designer, shared an experience in which he purchased a home from someone he knew socially. The restraint Waylon demonstrated in dealing with a long string of problems related to the purchase is truly amazing, which is indicative of this key drawback to using social relationships in consumption contexts.

So, anyway after we bought the house we lived there for 4 years, and in 4 years it flooded more times than I can even remember. It was just one after another; the basement seemed like it was always, always having a problem. I would fix the one problem and it would just move to the next and find a new way in. So, for 4 years it was just a constant battle to keep the water out of it . . . I think [he] knew there were more problems. I don't know how he couldn't have known, because the very first time it rained, water just poured into the basement. So, I don't know how he could have not known . . . it was kind of uncomfortable. I didn't talk to him about it until, I don't know, probably the 7th or 8th flood when we had to replace all the carpet and do drywall, and a bunch of stuff for the 3rd time, and our savings was tapped out and it was just a mess . . . I think it definitely would have been different if it was somebody we didn't know . . . we probably would have taken some action the 1st or 2nd time.

These examples highlight one major drawback of using social relationships for consumption. When things did not work out, participants reported feeling constrained from addressing the issues that troubled them. Interestingly, our data indicate that the same social forces that allow consumers to obtain benefits as they use their relationships to make purchases (Johnson and Ross 2014) also make it difficult for them to address problems, if they occur during the consumption experience.

Although the logic may be somewhat different, recourse restraint may be loosely related to negative outcomes that individuals face under collective social capital (Portes and Landolt 1996; Portes and Sensenbrenner 1993). However, while collective social capital can constrain individuals as a result of community norms and expectations, individualistic social capital appears to constrain its users through the perceived social discomfort that might result when friends are confronted with problems after they have granted favors or access to their resources. Thus, it is understandable why individuals fear confronting issues head-on; doing so may be perceived as repaying kindness with criticism, which could make any future interactions uncomfortable. As a result, recourse restraint represents an important and influential negative consequence of social capital use among consumers in the marketplace.

**Trust Decay**

Trust decay also emerged as an influential category of negative outcomes from the use of social relationships to make purchases. Trust decay represents the deterioration of trust between the consumer and the individual(s) whom the consumer has looked to in the purchasing context. Because social capital produces benefits via social relationships, aspects of those relationships are jeopardized each time it is used, as suggested in the following.

Jack, 29, shared an experience in which he drew upon one of his good friends from school to
arrange transportation for his many wedding guests. Jack used his personal friendship to connect to his friend's friend who provided transportation. Although the service was rendered without problems, there were problems that arose afterwards. Jack reported, "We get good service. Everything is there. After that, this guy gives us a huge bill. 'You have to pay this much money'. . . . Even if we allow for some error, it is ridiculous." When talking about being taken advantage of by the friend of a friend, Jack said the following about the friend:

What was affected – was the only thing – that I don't trust his judgment 100 percent. Our relationship is unaffected, but now when he tells me something that "This deal is good," then I ask him other questions (laughing). [I don't trust] his judgment, rather than him. I trust his intention. I know it is always good.

Braden, 29, also revealed the impact that using social relationships can have on trust in the social relationship. Asking a former roommate to assist him with a mortgage loan, Braden discussed some of the issues that arose and how they later impacted the trust he had in his friend.

The payment that he had said would be lower, and the kind of loan that he was going to structure actually was not what we had asked for, and not what we were expecting as far as price. We actually ended up paying a higher loan amount, a higher mortgage every month with the way he structured it . . . . that actually soured it a little bit, because here we were expecting one payment and then it ended up being $500 more a month than what he said it would be. . . . Not that I wouldn't say hi to him or try to keep in touch with him, but it wouldn't be a thing where I would trust him to do a loan for me again.

Carl also experienced similar trust decay as other participants. After being diagnosed with a brain tumor, he turned to a friend, who was a neurologist, for advice and a recommendation to a proficient neurosurgeon. After looking at the MRI films, she not only made a recommendation, but she personally introduced Carl to the surgeon. However, the surgery did not go as expected, which impacted Carl's trust in the neurologist friend.

He only got half the tumor out and so we had to wait just to watch it and two years later it started growing again. I could see it on the film itself. He said, "Well oh, this just happens sometimes. We can't see everything. It's in a very tight space." I had the follow up MRIs and went in and knew. I had looked at the film already and knew it was starting to grow because I could compare it to earlier ones. . . . It didn't affect my relationship with the referring physician. Since she's a personal friend, it didn't really affect that. . . . The trust might not be quite as high, but I would still respect her opinion because I think she is very good.

While most participants experienced a relatively small decline in trust when problems arose when they used their social relationships to make purchases, other individuals lost much more trust, much faster. Paula shared an experience in which she lost tens of thousands of dollars after a long time friend, her financial advisor, lost her investment in an illegal Ponzi scheme. When discussing the experience, Paula described feeling "mad, violated, [and] sinking" knowing that all the money they had invested was gone. When talking about her friend, she said:

Oh, I definitely wouldn't trust him again. You know, it's like, okay, you did what you did and I know you're—well, I'm not sure he's sorry, but, no I won't trust you again even if you had a really good deal. Even if he said, you know, "Oh, I am so sorry and I knew I was doing wrong," or whatever.

Interestingly, most of our participants who experienced trust decay initially suggested that the negative experiences had little impact on the trust they placed in their friends, as individuals. However, as their accounts unfolded, most of them later revealed that trust in their friends’ judgment or decision making ability was affected. Additionally, in some cases, such as Paula’s, the problems were substantial enough to deplete trust quickly, completely, and permanently. This consequence is particularly interesting because it provides insights concerning how individuals conceptualize trust.

There appear to be theoretical implications with respect to the way socially connected consumers deal with the impact of negative outcomes on trust. Marketing scholars have discussed both cognitive and affective dimensions of trust (Johnson & Grayson 2005). Cognitive trust is an individual’s willingness to rely on others based of their own knowledge of the other party’s competence and reliability. On the other hand, affective trust involves confidence in the other party based on feelings of the other party's care and
concern for them as an individual. In this sense, cognitive trust is based on knowledge, whereas affective trust is based on emotion.

Based on our participants' accounts, cognitive trust appears to decay first. In purchase contexts in which friendships are used, consumers may not be as aware of the other party's abilities as much as they are aware of the other party's concern for them. Thus, our participants may be inclined to continue to affectively trust the person, but not their judgment or decision making abilities. This compartmentalization of trust may represent a coping strategy that allows the relationship to continue by letting the offender off the hook in terms of intentions, but holding them accountable in terms of performance. By viewing the breakdown as a problem of judgment, rather than a lack of concern, the consumer can still maintain a sense that the other party has good intentions, allowing the relationship to continue. However, as participants' accounts suggest, it appears that cognitive trust can only decay so far before affective trust is also impacted. Thus, there appears to be a threshold after which consumers perceive that the other party no longer has their interests at heart, resulting in a more comprehensive loss of trust.

The fact that trust is sometimes depleted, rather than enhanced, is ironic and interesting, particularly given that trust has been shown to be an important outcome of using social relationships to make purchases (Johnson & Ross 2014), as well as a key consequence of developing traditional commercial relationships with firms (Bendapudi & Berry 1997; Berry 1995; Coulter and Coulter 2002; Gwinner et al. 1998; Sheth and Parvatiyar 1995). Interestingly, because consumers using social connections to make purchases may begin with more trust than typical consumers, they may simply have more to lose, in the end, than those using regular commercial relationships. This notion, which has not been examined by consumer scholars, could prove to be useful in further understanding and managing this important and influential social dimension of consumer behavior.

**Relationship Atrophy**

*Relationship atrophy* emerged as the third category of negative outcomes resulting from participants’ use of social capital to make purchases. *Relationship atrophy* represents a weakening of the relationship between the consumer and the individual (or individuals) to whom the consumer is socially tied in the purchasing context. Because social capital usage relies upon social relationships to operate, these relationships can sometimes become collateral damage when things don't work out well for consumers, as some participants' experiences show.

In addition to the electrical wiring issue Trent faced with his new home, an agreement with his friend involving the landscaping of his property also fell through. As a result, Trent ended up doing all of the work himself. This and other expectations that went unmet influenced the way Trent perceived and interacted with his college buddy. When talking about how the negative aspect of the consumption experiences impacted the relationship, Trent said:

'It's definitely in the back of my mind every time I think about hooking up with the guy — grabbing lunch or a beer with him or something like that. To be honest with you, I probably haven't reached out — I mean I live in the same town as the guy now, and it's probably been 3 or 4 months since I've talked to him.'

Importantly, there was collateral damage involved when Jack was substantially overcharged for transportation for his wedding guests by the friend of a friend. Interestingly, while Jack lost trust in the friend, the most serious damage did not occur between Jack and his friend, but between Jack's friend and the transportation service provider. When talking about his friend's reaction when Jack told him that they were overcharged, Jack said,

'When we found out, he was really angry and he tried his best to get some money back. I don't think I can blame him. . . . His relationship was affected. He was very angry and he really fought with this guy who was his friend's brother. He undermined his relationship with that guy because he was much closer to me.'

Also, as might be expected, Paula's financial loss transformed the course of her relationship with her friend, the financial advisor, who was eventually indicted and incarcerated on multiple counts of fraud. When talking about how her relationship changed, she commented:

'Well, obviously it would never be what it was before, because there's just some things you can't take back, you know. We knew we had to go through a process to forgive him and to, you know, get through that and to just go on. . . . It wouldn't be like it was before, and I think—yeah, it probably would be awkward, because you'd be
careful about what you said and nothing would be out in the open, so you'd be kind of skirting maybe something that should be said, but to him it would probably never be said. . . . You know, you can cover up and shake hands and, "Oh, what are you doing now?" kind of thing, instead of, "Oh, what are you doing now after your prison sentence?" (sarcastically).

Finally, as the problems that Bryce and his wife faced in building their home mounted, something had to give, and it turned out to be their relationship with Stewart, the builder. Despite many attempts to work things out, Bryce finally acted to change the course of events.

After a while, I guess you get to a point, kind of like economics of emotions, where enough is enough. Suddenly, you don't care as much and so we did get on him and that's when things started to happen. . . . Once I came to the realization that he wasn't doing this for free, he's just doing it at a discount, that I finally said, "I'm going to have to take more of a business approach with him, rather than a friendship approach", . . . The relationship that we have with Stewart, now, feels different. It was more of a neighborly relationship earlier, now and as time has gone on, it feels more like a business type relationship. Particularly when things were going slow, there was a little tension. Not that we didn't like one another – it never went that far – but it just felt differently when he knew that he wasn't quite fulfilling what he'd promised to do and we knew it too. We still were wanting to be friends . . . It was kind of interesting the way that changed the way we interacted with one another. [Our relationship] was changed. We took on different roles. Instead of being more of a neighborly – it was more of a professional – less personal is a good way to put it.

**FIGURE 1**

**THE IMPACT OF NEGATIVE PURCHASE EXPERIENCES WHEN USING SOCIAL CAPITAL IN THE MARKETPLACE**

![Diagram showing the impact of negative purchase experiences on social capital in the marketplace.](image-url)
Interestingly, Bryce's and Stewart's relationship continued to atrophy as time passed. Follow up conversations with Bryce and his wife revealed that the contention had escalated, ultimately culminating in a heated exchange in which Stewart confronted Bryce and accused him of ruining his business by publicly vocalizing his displeasure with Stewart and his company. In this case, the relationship between Bryce and Stewart degenerated from social, to business, to animosity, highlighting one of the major downsides to using social relationships to make purchases.

Based on our data, the actual deterioration of relationships is an advanced consequence of problems during the consumption process. As problems go unaddressed and expected benefits fail to materialize, individuals are often put in a position where they may have to make a choice between pursuing anticipated benefits and maintaining personal relationships. Based on participants' accounts, *relationship atrophy* typically occurs when individuals opt for the anticipated benefits over the present value or anticipated future value of the relationships. Interestingly, the mounting loss of trust that sometimes accompanies these breakdowns may signal a decrease in the future value of the relationships, which appears to influence consumers’ decisions. Consequently, as decisions are made in favor of purchase outcomes, the relationships involved often change. Ironically, while these changes can be subtle, they sometimes adulterate and even destroy the personal relationships involved in the transaction.

An interesting way to think about the concept of *relationship atrophy* is in terms of the sacred and the profane, as characterized by Belk, Wallendorf, and Sherry (1989). A relationship with a friend may be inherently sacred, yet having it transform from a personal relationship to a distant or contentious type of relationship represents a movement from the sacred toward the profane, given the sense of loss that accompanies the transaction. Ironically, in some cases, the act of introducing personal relationships into the marketplace can inadvertently lead to the profaning of the sacred, which is likely the exact opposite of what is intended by consumers drawing upon their relationships to make purchases.

In summary, we have demonstrated that unfavorable experiences from using social capital may lead to *recourse restraint, trust decay, and relationship atrophy*. Using social relationships to make purchases appears to induce consumers to refrain from complaining behavior, likely as a result of feelings of indebtedness to friends and fears of feeling uncomfortable in future social interactions. Negative experiences can also damage important aspects of personal relationships, such as trust in friends and their judgments and recommendations. Finally, adverse experiences using social capital also have the capacity to change the relationships involved in unintended ways. Relationships may evolve to become less personal and friendly, and in some cases, they may even degenerate to the point of animosity.

**TOWARDS A THEORETICAL STRUCTURE AMONG NEGATIVE OUTCOMES CATEGORIES**

In the three previous sections we described conceptual categories of negative social capital outcomes. We now explore the relationships among these important categories. Doing so reveals how the categories may influence one another to impact consumers’ experiences. Identifying these interconnections provides a more comprehensive understanding of how negative outcomes can impact consumption and the relationships used to make purchases.

We used *selective coding* procedures (Strauss and Corbin 1998) to uncover and interpret the theoretical structure among the conceptual categories that emerged in the data. We interpret participants’ experiences collectively to highlight the relationships among these outcome categories. The theoretical structure among the categories is shown in Figure 1.

Based on our sample, one of the outcomes that occurred most often for participants was *recourse restraint*, which occurred in 13 of the 20 (65%) negative experiences and was reported by 11 of the 16 (69%) participants. Interestingly, *when recourse restraint* occurred, it was not associated with either of the other negative outcomes about 40% of the time. That is, *recourse restraint* occurred by itself in 5 of 13 experiences shared by 5 of the 11 participants. Our analyses of these participants’ experiences reveal that *recourse restraint* is less likely to escalate to other negative outcomes when the issue or the product is relatively unimportant (low involvement), or when the problem is appropriately addressed by the firm.

As an illustration, for consumers like Teresa, who purchased a Nalgene water bottle that later cracked, the issue simply wasn’t important enough to cause serious problems. Teresa said, “It’s 8 bucks. Like

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1 We note that the sample size, 20, while quite sufficient for identifying and describing consumers’ negative experiences with social capital, carries with it the caveat that the percentages reported herein may completely representative of the larger population involving such experiences, as discussed further in the limitations not be section.
it’s not going to break me or anything.” Interestingly, Teresa wasn’t even going to address the issue because of the recourse restraint she experienced, but her friend at the store convinced her to take the bottle back and have it replaced. In the end, the problem was easily resolved and no harm was done. The problem was addressed and Teresa’s perception of the purchase experience was positive. Teresa’s experience represents how the importance of the issue to the consumer and the way it is addressed by the firm can attenuate the harm done by negative experiences that arise when using social relationships.

Thus, recourse restraint can be an isolated event, but it is still associated with one or more of the other negative outcomes about 60% of the time (8 of 13 experiences shared by 6 of 11 participants also experiencing trust decay and/or relationship atrophy). This trend suggests that recourse restraint can act as a gateway to further problems with the consumption experience, particularly when the product or service is important and issues go unresolved. Under these conditions, our data reveal that recourse restraint typically leads to trust decay. A prime example of this is illustrated by Trent’s negative experiences with the home he purchased from a former classmate. Trent’s unwillingness to confront issues related to the landscaping and the wiring problems of his new home allowed several important issues to go unresolved, quickly deteriorating his trust in the friend involved. As a result, he, like others, experienced trust decay, in conjunction with recourse restraint, as a result of negative experiences related to the purchase.

In the sample examined for this study, trust decay occurred in about two-thirds of the experiences reported by participants (13 of 20 experiences, 10 of 16 participants). Although many participants reporting trust decay also experienced recourse restraint, there was a significant portion that did not. In fact, participants reported trust decay without recourse constraint about 40% of the time (5 of 13 experiences, 5 of 10 participants). These cases appear to occur primarily when involvement is particularly high and the purchase has high personal relevance for the consumer. For example, in our data trust decay only occurred without recourse restraint with major decisions, such as neurosurgery (Carl), home purchases (Trent and Walter), major home repairs (Dallas), and major investment decisions involving large sums of money (Paula). In such cases, the magnitude of the purchases and the proportional risks associated with them may push participants to skip recourse restraint entirely and move immediately to the other outcome categories.

For participants experiencing trust decay, there is nuance involved in how consumers react to the loss of trust. As they experience and evaluate issues with trust, they appear to make inferences about the source of the problem. When problems are attributed to situational or external factors – factors that are either out of the other party’s control or beyond the other party’s abilities – consumers appear to give the other party the benefit of the doubt and allow the relationship to continue much as it did before the infraction, by compartmentalizing trust. Both Jack and Carl demonstrated this compartmentalization when they stated that they still trusted their friends and wanted the relationships to continue, despite the negative outcomes, although they would be less likely to trust their judgment with such issues in the future. By compartmentalizing elements of trust in this way, relationships were allowed to continue much like they did before the problems arose.

Alternatively, when the negative outcomes are attributed to the other party’s intentions, trust decay is likely to result in relationship atrophy. In our sample, relationship atrophy occurred with approximately 60% of all negative purchase experiences (12 of 20 experiences, 9 of 16 participants). In these cases, our data suggest that the consumer’s final attribution is placed on the individual and his or her lack of care and concern for the consumer. When consumers perceive a decline in the intentions of the other party for their well-being, relationship atrophy generally follows. A prime example of this is Paula’s experience with the financial advisor who was imprisoned for illegally investing her money in a pyramid scheme. Not only did Paula experience a severe loss of trust, but her attribution of the negative experience to the motivations and intentions of her one-time friend forever changed the relationship in a negative way. As she suggested when talking about the relationship, “. . . it would never be what it was before.” Our data suggest that once trust decay leads to relationship atrophy, the relationships rarely return to their previous state.

Importantly, our data suggest that trust decay and relationship atrophy tend to occur together. Relationship atrophy and trust decay were present together about 75% of the time (11 of 14 experiences, shared by 8 of 11 individuals experiencing trust decay and/or relationship atrophy). This finding highlights the ability of trust decay to infect the relationships used to make purchases, which may ultimately weaken them. Participants’ accounts suggest that it is only when breaches of trust are sufficiently compartmentalized in the mind of the consumer that relationships may
continue unharmed. Otherwise, trust decay can continue to spread, eventually contaminating, changing, and even destroying relationships.

In sum, the categories of negative outcomes resulting from social capital usage seem to cascade from one to the other. When issues are unimportant or are sufficiently addressed and resolved, recourse restraint may have minimal impact on the purchase experience. However, when recourse restraint causes issues to go unresolved, trust decay can occur. The impact of trust decay appears to depend largely on the attributions made by consumers. When situational attributions are made for problems, consumers appear to compartmentalize trust and move forward with the relationship. However, when problems are attributed to individuals whose intentions have come under suspicion, relationship atrophy seems to be the result.

**DISCUSSION AND IMPLICATIONS**

Our findings, although exploratory, suggest that using social capital for consumption is not always the advantage it is proclaimed to be. Our analysis identifies three types of negative consequences that may result when consumers utilize social capital for consumption purposes. Although these outcomes appear to occur much less frequently than positive outcomes, identifying them improves our understanding of social capital theory, particularly in the consumption context.

Regarding negative outcomes, it is important to note something that did not emerge from our data. Interestingly, participants' narratives did not point to reciprocity as a negative outcome of using social relationships to make purchases. While our participants were cognizant of opportunities to reciprocate in the future, they did not tend to view reciprocity negatively. When asked if they would reciprocate if the occasion arose, many of them reported having already done so, while many others suggested that they would do so without hesitation, if given the chance. Rather than seeing it as a negative event, participants appeared to view reciprocity as an opportunity to express gratitude to their friends and to enhance their relationships with them. Given these reactions, despite the fact that reciprocity could potentially feel like a negative outcome for some consumers, it did not emerge as such from our data.

**IMPLICATIONS FOR RESEARCH AND PRACTICE**

**Customer Expectations and Satisfaction**

That individuals can experience negative consequences from using their relationships is important to marketers because it suggests the possibility that consumers' may have overly optimistic expectations associated with using social capital for consumption. Our analysis of consumers' experiences suggests that, while social capital may yield significant benefits, as suggested by previous research (Johnson and Ross 2014), there are often countervailing forces working against consumers and firms when social relationships are used to make purchases, including overly optimistic expectations regarding purchase outcomes.

As noted previously, marketing scholars have demonstrated that consumers obtain benefits from their ongoing commercial relationships with firms in the form of discounts, specialized treatment, confidence, and trust. Because consumers are accustomed to obtaining these benefits from traditional commercial interactions with firms, our data suggest that they may not only look for these same benefits when using social connections, but that they might expect to experience more of these benefits than normal, and faster than normal, than might otherwise be the case with traditional commercial relationships. However, such expectations for improved returns and faster benefits may be overly optimistic, or even unrealistic, setting up consumers to be disappointed when expectations are not met (Oliver 1980). This disconfirmation of expectations can have negative implications for customer satisfaction, and loyalty (Fornell et al. 1996; Meirovich and Little 2013; Mittal, Ross, and Baldasere 1998; Oliver 1999; Srivastava and Rai 2013), as well as for the relationship itself.

Our data suggest that the valence of the purchase experience itself has a tremendous ability to impact consumers' outcomes. Specifically, when purchase experiences are negative, consumers may experience even worse affective reactions than if they had no relationship at all, given the restraint that prevents them from rectifying issues, as well as the loss of trust and relational atrophy that can be brought about by the negative experience. As noted, this polarizing effect has both direct and indirect implications for customer complaining behavior, as well as the customer satisfaction and loyalty processes delineated in the marketing literature (Curtis, Abratt, Rhoades, and Dion 2011; Fornell et al. 1996; Meirovich and Little 2013; Oliver 1999; Srivastava and Rai 2013; Taylor 2012).

In our sample, roughly half of participants' negative experiences occurred directly with the owner or manager of the firm, whereas the other half took
place with firm representatives. Given that consumers using social capital to make purchases may potentially interact with friends filling a variety of different roles (i.e., owner, manager, firm representative, etc.) across a variety of purchasing situations, we discuss the implications of these social capital behaviors from the perspective of general product and service providers. Doing so allows us to discuss general insights for conceptualizing and managing these important types of relationships.

Because customers using social connections to make purchases are drawing upon relationships with friends, product or service providers have an opportunity to more effectively manage these types of relationships by improving their understanding and management of customers who are friends. Because socially connected customers may come into the purchase experience with heightened expectations, providers may benefit by more effectively identifying and addressing those expectations. When such expectations are perceived to be overly optimistic, providers may need to carefully adjust customers’ expectations by outlining what should and should not be expected as part of the purchase experience. Given that nearly all of the negative consequences outlined in our study occurred as a result of product or service failures, providers may need to focus on assuring that consumers’ expectations are realistic and that they are met accordingly.

When issues do arise, providers may be able to minimize the impact of problems by implementing strategies that take advantage of the findings outlined in this paper. Understanding that customers may feel restrained to vocalize their problems, providers can enhance their existing policies to identify and facilitate problem resolution, helping to minimize the discomfort some consumers experience. Such policies may involve: (1) encouraging customers to report issues immediately, (2) reassuring customers that vocalizing problems is appropriate and helpful for meeting their expectations, (3) utilizing consistent follow-up procedures to assure that expectations are being met, and (4) when necessary, using third parties to carry out follow-up practices to attenuate the potential restraint consumers experience. Ultimately, product or service providers should strategically solicit feedback from such customers to keep channels of communication open. Doing so may help to counter the negative repercussions associated with friendship relationships.

**Customer Attributions and Trust**

Interestingly, because of the strong relational ties involved, many of our participants tended to provide situational attributions for negative experiences in which their friends were involved, rather than attributing problems to the friends responsible, indicative of attribution errors (Ross 1977; Meyers 2010). This finding provides insight into recent research indicating that friendship can attenuate the negative impact of an unfavorable purchase outcome. Ho (2012) finds that when salespeople and customers are close friends, customers perceive unfavorable outcomes to be more fair and satisfactory. Our data suggest that attributions play a key role in consumers’ perceptions of such product and service outcomes. In addition, these attributions may also be indicative of a coping mechanism consumers use to reduce friction with friends and keep social relationships intact, even when things don’t work out well.

The attributions that participants make and their compartmentalization of trust appears to signal that consumers are ready and willing to give their friends the benefit of the doubt, even when things go wrong, as long as they can assure themselves that their friends’ intentions are pure. Ironically, however, the restraint they feel in addressing problems limits their ability to make such assessments. As a result, they often must ascertain the other party’s intentions in other, less effective ways. Consequently, when the other party fails to properly signal intentions, trust can begin to decay and relationships may be jeopardized. Unfortunately, the downward spiral often begins with a lack of communication resulting from feelings of restraint.

Based on participants’ reports, we suspect that many of participants’ friends who were called upon so that participants could make purchases were not even aware of some of the problems their customers faced, because these problems were never discussed. And, when problems were addressed, it was often much later, after frustration had built and damage had been done. As noted previously, in these circumstances providers must work hard to identify potential problems. When problems do arise, our findings indicate that providers must effectively enhance policies to manage the attributions consumers make about the product or service failure. Such improvements may include: (1) providing consumers with relevant situational information to allow them to make positive attributions, (2) reiterating care and concern for consumers in order to prevent them from obtaining incorrect information about intentions, and (3) when necessary, framing information in ways that allow consumers to cope with or compartmentalize the problem so that the
relationship can continue. In the end, being aware of the attributional processes consumers go through when experiencing negative outcomes can greatly inform the way relationships are perceived and managed in marketing contexts.

**Social Capital Theory**

Finally, in addition to the implications for marketers, identifying these problems at the individual level is important to scholars outside of marketing. Our discovery of negative outcomes at the individual-level is an important contribution to social capital theory that augments previous work that examines the negative impacts of collective forms of social capital on individuals. Given that these problems occur when using social capital for consumption purposes, it is likely that they occur in other individualistic contexts too. It is reasonable to assume that similar costs could also be incurred when using relationships for other purposes, such as finding a job or climbing the corporate ladder. As a result, individuals in other settings may also want to contemplate the potential for negative outcomes related to using social relationships.

**LIMITATIONS AND FUTURE RESEARCH**

The goal of this study was to identify and understand the negative outcomes obtained by consumers who used social capital. To do so, we used an exploratory grounded theory approach with purposive sampling to meet those objectives. Neither of these decisions was without tradeoffs. By design, the grounded theory approach identifies constructs and the theoretical relationships among them that emerge from the data. As a result, this approach may potentially highlight negative experiences and their consequences more than other approaches. Additionally, due to the manner in which purposive sampling is used to recruit participants engaging in the specific behaviors of interest, this approach may have resulted in a sample of consumers particularly experienced in using social capital, which in turn may have given our participants more opportunity for negative experiences. For this reason, the prevalence of negative social capital outcomes and the extent to which these outcomes occurred together in our sample should be interpreted with caution.

The identification of these outcomes identifies the existence of negative social capital experiences, but it may not necessarily represent the extent to which they might occur in the general population. Although our sample was of sufficient size for an in depth examination of participants' experiences, it was not large enough to ensure that our findings are fully generalizable. Thus, future researchers are encouraged to use different empirical techniques involving larger sample sizes to examine the extent to which our findings about negative social capital outcomes generalize across different contexts and populations. Assessing the external validity of our findings would provide insights as to how often the types of outcomes identified in this study take place, as well as how often they occur together.

Based on our findings, there are a number of avenues for future research. For example, research into how individual differences, including conflict resolution style and complaining behavior, affect the responses of consumers to negative outcomes may be of interest to marketers. In this vein, researchers may also wish to explore alternative modes consumers experiencing recourse restraint might use to express themselves. Although such consumers may not feel comfortable addressing consumption related issues with the friends involved, they may address their concerns in other ways. Do they compensate by engaging in negative word of mouth with others in their social circles? Do they vocalize their negative experiences and concerns with others in online environments? Exploring these possible behaviors would be an interesting extension of our work.

Other research opportunities might include examining how our results extend to other types of marketing relationships. For example, to what extent do new customers, compared to established customers, experience the outcomes identified in our study? Also, at what point do the outcomes identified in our study become relevant for other types of customers? Similarly, research in marketing has examined differences in consumers' responses to service failure recovery (Ashley and Varki 2009; Ringberg, Odekerken-Schroder, and Christensen 2007). Scholars may wish to examine how customers using social connections for their purchases respond to service failures and firms' attempts to recover from them, when experiencing the outcomes identified in our study.

Given the various negative outcomes that can occur for consumers using social capital, scholars may also wish to explore the processes consumers go through to make such decisions. Are these processes serendipitous or calculated? Who initiates the transaction? Are consumers aware of the potential negative outcomes? If so, what role do decision biases play, such as prospect theory – are consumers more risk taking with their relationships in order to avoid financial losses? Addressing questions such as these
would help scholars to further extend our research.

Finally, this study examined the negative outcomes obtained by individuals directly involved in the purchase experience. But one can imagine that negative experiences might also affect individuals who were not the focal individual. Given the negative impact these experiences have on consumers and their relationship partners, it seems plausible that the negative outcomes could have repercussions for others who are indirectly associated with the purchase, such as spouses or significant others. Examining the ripple effects for other parties involved in the transaction seems to be an opportunity for interesting future research as well.

**CONCLUSION**

Our study, based on interview data from everyday consumers, uncovered three categories of negative outcomes resulting from the use of social relationships to make purchases, and explored the interrelationships among these categories. From the perspective of the individualistic strand of social capital, these outcomes constitute a clear departure from existing theory and research. This departure adds depth to our understanding of social capital processes among consumers and provides marketers with a better foundation for conceptualizing and managing social capital in marketing. Identifying these drawbacks of social capital usage provides fresh insights to scholars and practitioners alike, in the field of marketing and beyond.

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APPENDIX

SEMI-STRUCTURED INTERVIEW INSTRUMENT

• Can you tell me about the approach you typically use when making a purchase?
• Have you relationships with others ever influenced the purchases decisions you've made? How?
• Have you recently drawn upon your relationships to purchase any products or services?
• Would you mind sharing the story with me regarding this purchase experience?
• What was your relationship to the person(s) who helped you?
• Did you know that this person(s) could help you before you talked to them? How?
• How often do you make this kind of purchase?
• What benefits did you receive from using this relationship(s) to make the purchase?
• Did you anticipate receiving any of these benefits beforehand? Which ones?
• Would you have been able to obtain these benefits without this relationship(s)?
• Did you anticipate receiving any benefits that weren't fully realized? What were they?
• Were there any drawbacks to using your relationship(s) to make this purchase? What happened?
• Did relying on your relationship(s) influence how you felt about the purchase experience? How?
• What factors affect whether you will rely on your relationships for future purchases?
• How often do you purchase products using your social relationships?
• How did you learn to use your relationships to make purchases?
• What value do your social relationships have for you with respect to making purchases?
• Is there anything that you would like to add that we did not discuss regarding the products or services you have purchased or the way you purchased them?