CUSTOMER (DIS)SATISFACTION AND DELAYS: THE ROBUST NEGATIVE EFFECTS OF SERVICE DELAYS

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ABSTRACT

The effects of service delays were investigated using a national sample of consumers who had a piece of consumer electronics repaired under warranty. It was predicted and found that dissatisfaction with the repair process, the repaired product, and the manufacturer of the product resulted both from the absolute length of service time and the relationship between the service time and the expectation concerning that time. Service times which were greater than what was expected led to dissatisfaction. Service times which were less than expected led to satisfaction. These effects were independent of each other. The robustness and impact of the effects of delay suggests that all channel operators must work to reduce all delays and manage the consumer expectation concerning service times.

INTRODUCTION

Time is valuable to the consumer (Graham, 1981; Gross, 1987). The value of time is increasing given the changing nature of families (e.g., single adult headed families) and the generally increasing demands of family and work for many consumers (Sheth, 1983). As a result, waiting for service can be an annoying, frustrating, and ultimately a determinant factor in consumer dis(sat)isfaction.

How are we to understand any relationship between delay of service and consumer dis(sat)isfaction? Customer dis(sat)isfaction has been found in certain instances to depend upon the perceived performance of the service and the gap between expectations and perceived performance (Oliver and Bearden, 1985; Parasuraman, Zeithaml, and Berry, 1988).

The two major approaches for understanding these relationships have been labeled the disconfirmation of expectations hypothesis and the gap model (Patterson and Johnson, 1993). Although there is a healthy discussion of the differences and similarities of these models (e.g, Patterson and Johnson, 1993), both models suggest that delays in service can be a significant cause of consumer dis(satisfaction).

Much of the research on customer dis(sat)isfaction has investigated how expectations and performance define dis(sat)isfaction and perceptions of quality service during the delivery of the service. Yet the actual delivery of the service may not describe the full range of possible experiential aspects of service delivery.

One interference in service delivery that may cause dissatisfaction is delay of service (Lovelock, 1990). Waiting appears to be a general negative experience (Scotland, 1991). Delays in supermarket, banks, and many other retail establishments and service experiences have been implicated as one of the top problems and causes of customer dissatisfaction (e.g., Burgoyne Research for Marketing, 1980; Clemmer and Schneider, 1989; Harrisson, Choi, and Mills, 1987).

Dube-Rioux, Schmitt, and Leclerc (1988) identified possible points of waiting pain as being before, during, and following a transaction. Some researchers have indicated that pre-transaction waits to have greatest impact on satisfaction (Dube-Rioux, Schmitt, & Leclerc, 1988: Venkatesan and Anderson, 1985). We would rather take the position that the impact of waiting will be dependent upon the nature and definition of the service experience. For example, it is reasonable to assume that if we are talking about a retail transaction the point of pain for wait is before transaction. On the other hand, if we are considering the delivery of a service following a retail transaction, the point of pain would be post-transaction.

There is ample evidence to support a hypothesis that service delays lead to negative evaluations regardless of where and when they occur. Dube-Rioux, Schmitt, and Leclerc, (1988) found pre and post-process waits in a restaurant setting led to customer dissatisfaction. (this finding has been replicated in a bank setting by Katz, Larson, & Larson, 1991 and an airline setting by

Taylor , 1994). Indeed, the natural relationship between delay and increasing dissatisfaction might be exacerbated by a natural tendency for consumers to overestimate time of delay and service providers to underestimate delay (Feinberg and Smith, 1989).

Thus, we would predict a main effect relationship between delay and customer dis(satisfaction) such that the longer the delay the greater the dissatisfaction (Hypothesis 1).

There is also ample evidence to support the contention that absolute increases in repair or service times in service delivery may not be as important as the relationship between the service time and the expectation for the service. Long service times based on an expectation for long service time will lead to less dissatisfaction than long times with short expectations (large gap between expectation and performance). Conversely, short absolute repair times should lead to satisfaction when those short delays are based on an expectation that the service will take a long time but lead to dissatisfaction when it is based on an expectation for a short time. This leads to Hypothesis 2--Dissatisfaction will be found for delays which exceed expectation and satisfaction will result when service delivery beats expectation.

In addition, there is a question of just how robustly does a negative delay experience affect consumer dis(satisfaction). Let us take the situation of a product that is being repaired. There are three possible places where consumers can place their dissatisfaction--the manufacturer of the product, the repairer of the product, or the product itself. Dis(satisfaction) for any or all of these possibilities lead to differing implications and strategies. If the consumer's dissatisfaction following a repair delay is with the repair provider, the manufacturer only needs to "whip" the repair centers into shape since the consumer may still be satisfied with the product and the manufacturer (leading to positive word of mouth for the manufacturer). Yet, if the dissatisfaction generalizes from repair provider to product to manufacturer, the problem for the manufacturer is more than simply whipping the repair provider into shape. Given the general finding in the social psychological literature and in the word of mouth studies which show the greater impact of negative information, it is predicted that the effect of dissatisfaction following delay is a robust phenomenon affecting dissatisfaction with the repair provider, the product, and the manufacturer (Hypothesis 3).

These issues were studied within the context of a broader study for a national consumer electronics company who engaged us in a project to assess the nature and scope of their problems in warranty service repair. This company did not have its own service facilities but depended on a network of national repair centers to repair its product lines (VCR's, TV's, projection TV's, computer screens, laptop computers, audio equipment). In a national representative sample of this company's warranty repair consumers who had successful repairs within the 6 months prior to the survey we were able to do the following:

1. Assess consumer satisfaction with the product, the repair facility/ process, and the manufacturer.

2. Assess consumer's original expectation for length of repair. How long did they expect the repair to take?

3. Determine how long the repair actually took.

By measuring these three points we could determine if it is the actual delay, the gap between expectations and performance or an interaction between the two that determines dis(sat)isfaction, and the robustness of the effect of the delay.

METHODOLOGY

One thousand five hundred surveys were sent to a random sample of customers of a multi-national electronics company from all customers who had warranty repair service on their products within the prior 6 months. Ninety six surveys were returned by people claiming never to have had their product repaired. Eight hundred sixty-six usable surveys were returned for a response rate of 62%. The questions used in this study were part of a broader study on customer satisfaction for this company (copy of survey is available from the authors).

RESULTS

Using a median split, customers (n=866) were split into two groups based on their expectations for product repair. The short time expectation group (n=287) consisted of customers who expected their product to be returned in six days or less. The long service expectation group (n=579) consisted of those individuals who expected their product to be repaired in seven days or more. This particular split was based on the median of actual repair times of these products (company records of warranty repairs).

Dis(sat)isfaction with Product Repair

A 2(expected time for repairs - short-long expectation) X 3 (gap -relationship between expected time of repair and actual time of repair-(shorter than expectation/when expected/longer than expectation‹) was completed on customer satisfaction with the product that was repaired.

A significant main effect for delay was found, $F(1,728) = 3.64$, $p < .05$. This indicated that customers who expected a longer delay were more dissatisfied generally than those who expected a short repair time regardless of how long it actually took.

A significant main effect for gap was also found, $F(2, 728) = 53.86$, $p < .01$. Tukey pairwise comparisons showed that customers who received their products before expected were more satisfied with their product than those who received their product back when expected, and they were significantly more satisfied with their product than those for whom return was greater than expected.

There was no significant interaction ($p > .05$).

Dis(sat)isfaction with Service From Service Center

A 2 (expected time for repairs - short-long expectation) X 3 (gap -relationship between expected time of repair and actual time of repair-(shorter than expectation/when expected/longer than expectation‹) was completed on customer satisfaction with the service center that completed the repair.

Significant main effects for repair delay, $F(1, 737) = 33.07$, $p < .05$, and for gap, $F(2,737) = 158.74$, $p < .05$, were found. This indicated that the longer the delay the greater the dissatisfaction. Tukey tests and replicated the findings for product evaluation. Dissatisfaction was greatest for consumers when repair time was greater than expectation. This dissatisfaction was greater than when repair was on time which was greater than if expectation for repair was longer than the actual repair.

There was no significant interaction ($p > .05$)

Dis(sat)isfaction with Manufacturer

A 2 (expected time for repairs - short-long expectation) X 3 (gap -relationship between expected time of repair and actual time of repair-(shorter than expectation/when expected/longer than expectation‹) was completed on customer satisfaction with the manufacturer of the product that was repaired.

A significant main effect for delay indicated that customers who experienced longer delay of repair were more dissatisfied with the manufacturer, $F(1, 509) = 21.11$, $p < .05$. A significant main effect for gap ($F(2,509) = 148.34$, $p < .05$), with subsequent Tukey tests, indicated that once again dissatisfaction with manufacturer was greatest when the actual repair took longer than expected, than when the repair was as expected which showed less dissatisfaction than when repair occurred before expected.

No significant interaction was found ($p > .05$)

DISCUSSION

A national sample of actual consumers who had a product successfully repaired at a repair facility were surveyed within 6 months of their repair experience. Their satisfaction with product, repair service, and manufacturer was assessed along with their expectation for how long the repair would take as well as the actual repair time.

The results replicate previous findings as well as extend what we know about the effects of service delay. There was an extremely robust relationship between delay and customer dissatisfaction. Longer delays, independently, led to consumer dissatisfaction. In addition, there was a strong relationship between expectations, delay and dis(satisfaction). Delays which were longer

than expected led to greater dissatisfaction than delays which were at expectation. Greatest satisfaction occurred when expectations are short and performance beats expectation.

This study adds to what we know about delay in that a direct comparison between the absolute delay and the relationship between the delay and expectations for the length of the delay were made and shows both hypotheses of this study to be valid. The confirmation of these two hypotheses lead to direct and simple rules for business and direct implications for business strategy.

> Rule 1: The longer the delay the greater dissatisfaction. The shorter the delay the greater the satisfaction.

Companies must strive to cut the time between consumer decision and performance. Pre-process, in-process, and post-process waits must be reduced to their minimum (if the corporate goal is maximum customer satisfaction). Control the amount of time that a customer has to wait so that it is at a minimum and constantly look for ways to improve operations to continue to reduce delay time (Katz, Larson, and Larson, 1991).

> Rule 2: Find out what the consumer expects the delay to be and beat it.

If the consumer expects to wait 30 seconds for service in an in-process point do it in 20 seconds. If the consumer expects a repair to take 5 days repair it in 4 days. For businesses that tell consumers to pick up a product in 6 days and the repair is usually completed prior to that, call the customer and inform them that the repair is completed. For example, it is our experience that Lands' End consistently tells customers that their order will take longer than Lands' End knows it will take so that they can exceed expectations. Thus, when consumers get their order prior to their expectation (built by the company), satisfaction is higher than if the company built the actual expectation.

These results confirm Katz, Larson and Larson's (1991) contention that service waits can be controlled by managing operations or managing perceptions. However, these results add by stating that one must manage both for they are not compensatory--each has a direct effect on dis(sat)isfaction. The robustness of the relationship is also important. Delays effected evaluation of product, service, and manufacturer making delay an issue for everyone involved in a product channel not simply the person/organization responsible for the delay.

> Rule 3: Whatever the time between product repair and delivery educate the consumer so that they understand how long it will take and why it takes that long.

We have used the term delay to represent that interval. By doing so we have purposefully done a disservice to repair facilities. There is good reason for this interval but since it is not really explained to consumers they perceive it as a delay. Manage consumer perceptions by explaining the interval so that consumer develop a sense of appropriateness to that interval.

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