# THE ROLE OF SITUATIONAL VARIABLES IN CONSUMER CHOICE SATISFACTION

Gail Tom, California State University at Sacramento Stoakley Swanson, California State University at Sacramento Bruce McElroy, California State University at Sacramento Jenney Lim, California State University at Sacramento

#### **ABSTRACT**

This study sought to determine if there was a difference in expectation levels, performance evaluations, and satisfaction levels between students who selected a course for the instructor and students who selected the course for situational reasons, such as the time and/or day the course was offered. The study also investigated the extent to which satisfaction predicted future behaviors: intention to recommend the course to other students and willingness to take the course if they had it to do all over again. Results of the study indicate that students who selected the course for the instructor had greater expectations than students who selected the course for situational reasons. However, overall satisfaction with the course, evaluation of performance, and intended future behavior did not differ between these two groups. The findings indicate that the relative importance of the components of satisfaction differ by the role that situational variables play in the consumer decision process and nature of the consumer decision.

#### INTRODUCTION

Research investigating consumer satisfaction/dissatisfaction has focused attention on the importance of the consumer's expectations in determining the consumer's overall satisfaction. There is general agreement that consumer post choice satisfaction/dissatisfaction is the result of the consumer's comparison of his pre-choice expectation standards and his perception of his experience (Day, 1984). This comparison process is the basis of the widely accepted confirmation/disconfirmation paradigm (Oliver, 1980). The confirmation/disconfirmation paradigm proposes that, prior to choice, the consumer forms expectations regarding the brand's performance.

After the consumer has experienced the brand, the consumer compares the brand's performance with the pre-choice expectations. Confirmation is said to occur when the brand's performance meets pre-choice expectations. Positive disconfirmation results when the brand performs better than expected. Negative disconfirmation occurs when the brand performs worse than expected. Confirmation/disconfirmation results in consumer satisfaction/dissatisfaction.

The confirmation/disconfirmation model has received empirical support in a number of studies (Oliver, 1980; Swan and Trawick, 1981). While the majority of the research with this model has considered the focal brand as the basis for the formation of expectations, alternative comparison standards have been suggested. Cadotte, Woodruff and Jenkins (1987) have suggested that consumers may evaluate the performance of a brand against normative expectations formed as the result of the consumers' experience with the various brands and products within the product class. Swan and Mercer (1981) propose that the consumer's evaluation of the performance of the product may result from a comparison of the cost (e.g., time, money, effort) of obtaining the product in contrast to the benefits. Other proposals for alternative evaluation standards include the ideal product performance (Miller, 1976; Holbrook, 1984). It may also be that consumers use one set of standards to serve as expectations to determine choice and a different set of standards to evaluate choice performance (Westbrook and Reilly 1983; Swan, Trawick and Carroll 1980). Or, multiple comparison standards that change during the course of the consumption process (Tse and Wilton, 1988).

There is lack of agreement on the relative importance of the expectation component on consumer satisfaction/dissatisfaction compared to other components such as inferred disconfirmation

(the subtractive difference between expectations and performance), perceived disconfirmation (the consumer's evaluation that the performance is better or worse than expected), or perceived performance (the consumer's evaluation of the brand's performance). Some research (Oliver 1977, 1979, 1980) supports the proposition that expectation and disconfirmation be considered as separate and additive components to satisfaction and have demonstrated the role of disconfirmation as an intervening variable in consumer satisfaction (Swan and Trawick, 1981). However, Churchill and Surprenant (1982) have found that the importance of the various components differ by product category. In the case of a nondurable product (plant), their results supported the previous findings of the importance of disconfirmation, expectation, and perceived performance on consumer satisfaction. In the case of a durable product (video disk player), perceived performance was the primary component in determining consumer satisfaction. Their results suggest that the role of expectation differs by product category. However, it may not be the product category that is the importance variable to focus attention, but rather the nature of the relationship of the product to the consumer.

Consumer decision processes have been variously conceptualized as extended decision, limited decision, and habitual by Engle, Blackwell and Miniard (1990) and as high involvement and low involvement by Assael (1987). Common to these varying conceptualizations of the consumer decision process is the recognition of the different roles of the antecedent variables on subsequent post-choice processes. For example, when the decision is one that is not important to the consumer, such as low involvement or limited decision making, the role of the antecedent variables is much less important or explicit than when the decision is one that is important to the consumer (Assael, 1987).

Recognizing that all consumer behavior occurs within the context of the situation, Belk (1975) has underscored the importance of recognizing situational variables in consumer decisions. Situational variables affect the decision process to a larger or lesser degree depending upon the type of consumer decision. In general, the more important the brand is to the consumer or the more

important the decision is to the consumer, the less important situational variables are as determinants to the decision process (Assael, 1987). Belk has suggested that situational influence can be thought of as an influence arising from factors that are particular to a specific time and place which are independent of consumer and object characteristics. He has suggested that consumer situations may be defined by the following five characteristics:

- 1. Physical Surroundings--the tangible properties, e.g., geographic location, decor, sounds, etc.
- 2. Social Surroundings--the presence or absence of other people in the situation.
- 3. Time--the temporal properties of the situation.
- 4. Task--the particular goals that the consumers have in the situation.
- 5. Antecedent States--temporary moods or conditions that consumers bring to the situation.

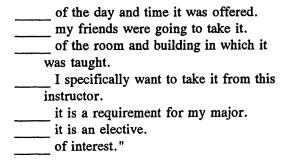
The purpose of the present study is to investigate the role of situational variables on consumer expectations, choice, and satisfaction. Students' selection of classes was chosen as the setting for the study because it provides a relatively strong distinction between the situational variables and the choice object--the instructor. Students may decide to enroll in a course specifically for the instructor or they may enroll in a course because of situational variables such as the time of day and/or day of the week the courses are offered. Course selection is a high involvement selection process, but one with which students are familiar. Moreover, students have the opportunity to return the purchase if they are dissatisfied with it; that is, they have the opportunity to drop the course should they decide that the course/instructor is inappropriate for them and shop for another course/brand (instructor). However, beyond a set time limit (the drop date), students who enroll in a course are expected to complete the course. Thus, the students' decision to enroll in a course mirrors the major characteristics of the consumers' decision to purchase a product in the marketplace.

This study sought to determine if there was a

difference in expectation levels, performance evaluations, and satisfaction levels between students who selected the course for the instructor and students who selected the course for situational reasons. The study also sought to determine the extent to which satisfaction predicted future behaviors: intention to recommend the course to other students and willingness to take the course if they had it to do all over again.

#### **METHODOLOGY**

One hundred seventy-three students from four sections, with two instructors each teaching two sections of an introductory marketing course required of all business majors, was selected as the product. Two weeks after the start of the semester students were asked to answer a questionnaire. A constant sum question was used to assess the extent to which the student enrolled in the course specifically for the instructor and the extent to which situational variables affected their selection. "Please divide 100 points among the following statements so that they reflect your reasons for enrolling in MGMT 120. I selected to enroll in MGMT 120 because:



The situational variables selected for inclusion in this question mirrors Belk's (1975) classification of situational variables. Student expectations regarding their enjoyment in the course and the amount of relevant information they would learn were assessed with two Likert scales.

Two weeks before the end of the semester students were asked to answer a seven-item Likert scale questionnaire designed to assess their satisfaction with the course, their intention to recommend the course to other students, and whether they would take the course if they had it to do all over again. The questionnaires were

administered by a graduate student assistant who instructed the students to be candid and honest in their responses. Students were asked to write an anonymous identification code on both of their questionnaires, and it was through their identification code that their responses on both questionnaires were identified in subsequent analysis.

#### **RESULTS**

As seen in Table 1, although it may be a blow to the instructor's ego, students' selection of the course is determined by situational variables more so than by the instructor. A frequency analysis was performed to determine the extent to which students selected the course for the instructor. Two groups were created based upon the scores of this variable. Those students who allocated less than ten points to the selection of the course for the instructor constituted the Situation Group. Those students who allocated ten or more points to the instructor as the reason for the selection of the course constituted the Instructor Group.

Table 1
Frequency Analysis of the Reasons for Selecting MGMT 120

Reasons	Mean Response
Day and time offered	13.3
Friends were taking it	1.3
Room and building	.7
Instructor	12.9
Requirement	59.7
Elective	1.1
Interest	10.8

T-test analysis between the Situation and Instructor Groups revealed that the Instructor Group had higher expectations in terms of both amount to be learned (t=2.39, p<.01) and enjoyment (t=1.78, p<.07). The two groups did not differ in their judgment of the perceived amount learned in the course or their perceived enjoyment. Nor did the two groups differ in disconfirmation of amount learned or disconfirmation of perceived enjoyment. The two groups did not differ in their stated intentions to

recommend the course and were equal in their judgment of taking the course again if they had it to do all over again.

Table 2 presents the regression analysis conducted separately for expectation, disconfirmation, and perceived performance. As can be seen from Table 2, perceived performance was the primary explanatory variable for both the Situation and Instructor Groups. Expectations and disconfirmation were better predictors satisfaction for the Instructor Group than for the Situation Group. Regression analysis performed using both the expectation and disconfirmation variables revealed that perceived performance alone predicted satisfaction as well as expectation and disconfirmation together.

Table 2
Regression Analysis of Satisfaction

#### PREDICTORS OF SATISFACTION Situation Group Instructor Group Components p value R<sup>2</sup> p value R<sup>2</sup> Expectation: Expect to learn and .006 12.8% .000 341% expected enjoyment Perceived Performance: Perceived learned and enjoyment .000 64.7% .000 663% Disconfirmation: Expect learn-perceived learned Expect enjoy-perceived .004 14.2% .000 enjoy 272%

## SATISFACTION AS PREDICTOR OF POST-CHOICE BEHAVIORS

Behavior	Situation p value		Instructor p value	
Recommendation	.00 .00	60.8 <i>%</i>	.00 .00	603% 34.1%
Repeat purchase	.00	19.9%	.00	34

From Table 2, it is evident that satisfaction predicted recommendation and repetition of the course for both the Instructor Group and Satisfaction Group.

#### DISCUSSION

The results of this study indicate that situational variables do affect the relative importance of expectation, disconfirmation, and perceived performance on consumer satisfaction. The importance of expectation and disconfirmation in explaining satisfaction appear to be less important as the role of situational variables increases in the decision process. However, it is not just the situational variables per se that are important. Rather they suggest that the nature of the consumer's decision needs to be recognized in the determination of consumer satisfaction. Expectation and disconfirmation seem to be relatively more important in decisions where the brand/instructor is the focal point of attention rather than the product class/MGMT 120. However, for both the Instructor and Situation Groups, perceived performance was the most important explanatory variable for consumer satisfaction. This finding common to both the Instructor and Situation Groups may suggest that the decision is equally important for both groups, supported by the fact that this is a required course for these students. Thus, although the decision was an important one for both the Instructor Group and for the Situation Group, the difference is that the Instructor Group focused attention upon the instructor/brand while the Situation Group focused attention upon MGMT 120/product requirement.

The distinction of consumer choices by its level of importance and focus upon the brand or product class may explain the variation in findings between the studies which support disconfirmation model and those that do not. For example, Swan and Trawick (1981) studied consumers who patronized a restaurant. highly likely that the consumers' choice of restaurant was brand specific; that is, consumers wanted to try out the particular restaurant because it is new. Churchill and Surprenant's (1982) finding of the relative differences of the components of the disconfirmation paradigm for the consumer decision of the plant and video disk player may be due to the difference in the nature of the two decisions. The commonality of the experimental manipulation created comparable levels of importance for the two consumer decisions. However, the difference in the manipulation of the plant and video disk player may have created differences in focus attention. That consumers were allowed to take the plant home and their prior familiarity with plants, created focused attention upon the plant. Consumers were not allowed to take the video disk player home, nor did they have any prior familiarity with the product category.

The contribution of this study to the consumer satisfaction/ dissatisfaction research is focusing attention on the importance of recognizing the nature of the consumer decision. The results of the study suggest that the relative importance of the components of the disconfirmation paradigm differ by the nature of the consumer decision. The strength of this proposition must be tested with subsequent research. The results of the study suggest that the role of expectations in consumer satisfaction differ by the nature of the consumer decision, but did not investigate the type of expectations that students used. It may be that the type of expectations that consumers use is dependent upon the nature of the consumer decision. This is an area for future investigation.

#### REFERENCES

- Assael, Henry (1987), Consumer Behavior and Marketing Action, 3rd ed., Kent Publishing Co., Belmont, CA.
- Belk, Russell (1975), "Situational Variables and Consumer Behavior," *Journal of Marketing Research*, (May), Vol. 25, (2), 204-212.
- Cadotte, Ernest R., Robert B. Woodruff, and Roger L. Jenkins (1987), "Expectations and Norms in Models of Consumer Satisfaction," *Journal of Marketing Research*, (August), Vol. 24, (3), 305-314.
- Churchill, Gilbert A., and Carol F. Surprenant (1982), "An Investigation into the Determinants of Customer Satisfaction," *Journal of Marketing Research*, (November), Vol. 20, 491-504.
- Day, Ralph L. (1984), "Modeling Choices Among Alternative Responses to Dissatisfaction," in Advances in Consumer Research, Vol. 11, Thomas C. Kinnear, ed., Ann Arbor, MI: Association for Consumer Research, 469-9.
- Engle, James F., Roger D. Blackwell, and Paul W. Miniard (1990), Consumer Behavior, 6th ed., Dryden Press: San Francisco, CA.
- Holbrook, Morris B. (1984), "Situation-Specific Ideal Points and Usage of Multiple Dissimilar Brands," in Research in Marketing, Vol. 7, Jagdish N. Sheth, ed., Greenwich, CT: JAI Press, Inc., 93-112.

- Miller, John A. (1976), "Exploring Some Alternative Measures of Consumer Satisfaction," in *Marketing:* 1776-1976 and Beyond, Kenneth L. Bernhard, ed., Chicago: American Marketing Association, 661-664.
- Oliver, Richard L. (1977), "A Theoretical Reinterpretation of Expectation and Disconfirmation Effects on Post-Exposure Product Evaluations: Experience in the Field," in Consumer Satisfaction, Dissatisfaction, and Complaining Behavior, Ralph L. Day, ed., Bloomington: Indiana University, 2-9.
- Oliver, Richard L. (1979), "Product Satisfaction as a Function of Prior Expectation and Subsequent Disconfirmation: New Evidence," in New Dimensions of Consumer Satisfaction and Complaining Behavior, Ralph L. Day and H. Keith Hunt, eds., Bloomington, IN: Indiana University, School of Business, Division of Research, 66-71.
- Oliver, Richard L. (1980), "A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions," *Journal of Marketing Research*, (November), 17, 460-469.
- Swan, John E., Frederick I. Trawick, and Maxwell G. Carroll (1980), "Satisfaction Related to Predictive, Desired Expectations: A Field Study," in New Findings on Consumer Satisfaction and Complaining, Ralph S. Day and H. Keith Hunt, eds., Bloomington, IN: Indiana University, 15-22.
- Swan, John E., and Frederick I. Trawick (1981), "Disconfirmation of Expectations and Satisfaction with a Retail Service," *Journal of Retailing*, (Fall), Vol. 57, (3), 49-67.
- Swan, John E., and Alice A. Mercer (1981), "Consumer Satisfaction as a Function of Equity and Disconfirmation," in Concept and Theory in Consumer Satisfaction and Complaining, Proceedings of the Sixth Annual Conference on Consumer Satisfaction, Dissatisfaction, Ralph L. Day and H. Keith Hunt, eds., Bloomington: School of Business, Indiana University.
- Tse, David K., and Peter C. Wilton (1988), "Models of Consumer Satisfaction Formation: An Extension," Journal of Marketing Research, (May), Vol. 25, (2), 204-212.
- Westbrook, Robert A., and Michael D. Reilly (1983), "Value-Precept Disparity: An Alternative to the Disconfirmation of Expectations Theory of Consumer Satisfaction," in Advances in Consumer Research, Vol. 10, Richard P. Bagozzi and Alice M. Tybout, eds., Ann Arbor, MI: Association for Consumer Research, 256-261.

Send correspondence regarding this article to: Gail Tom

6302 Dairy Ct.

Sacramento, CA 95831

# COMPLAINING AND PRAISING IN NON-PROFIT EXCHANGES: WHEN SATISFACTION MATTERS LESS

Dianne S. P. Cermak, Northeastern University Karen Maru File, University of Bridgeport Russ Alan Prince, CSSP Technologies

#### **ABSTRACT**

This study examines the "postpurchase" communications of a distinctive and powerful segment of the population in the context of their satisfaction with the non-profit organizations for which they have established major trusts. Our analysis of data provided by 476 detailed personal interviews with a representative sample of donors of charitable trusts in excess of \$1 million indicates that donors' complaints and plaudits are closely associated with satisfaction and related measures only when the target of their comments is external to the exchange. Communications to the management of the organization apparently reflect the nature of the donor-manager relationship rather than donor satisfaction. The implications are discussed in terms of theory extension for post-exchange communication and practical considerations for non-profit organizations.

#### INTRODUCTION

The literature on postpurchase attitudes, which now includes scores of articles examining postpurchase communications, focuses in most cases on negative communications. Few compare complaining behaviors to their positive and influential counterpart, praising behaviors. All are set in the context of commercial exchanges. That is, the customer gives money in exchange for a product, either a good or a service. The brief review that follows establishes a field of reference for the present study.

#### **Non-Profit Exchanges**

Exchange, the offer of value in return for value, is the central concept in marketing (Bagozzi 1975, Berkowitz et al. 1979). Charitable giving is a service exchange just like any other in that the

donor (the "consumer", i.e., the one who pays the price) is giving money in exchange for value (Kotler, 1982). The donors of charitable funds, however, do not expect to get value for themselves or others close to them directly; rather they are contributing to the support of an organization that provides services to beneficiaries somewhat removed from themselves (Guy and Patton 1988). The exchange pattern here is fundamentally the same as in commercial exchanges except that the value actually received by the donor is likely to be not only extremely intangible (e.g., gratitude from and/or recognition by the charity) but also indirect (e.g., positive feelings about being of use to society) (Kotler 1982).

The importance of studying non-profit exchanges from the marketing perspective has been advocated in the marketing literature for decades (Kotler and Levy 1969; Lovelock and Weinberg 1978; Shapiro 1973). In an era of increasing emphasis on shifting the burden of social services to the private sector, such an examination becomes even more pertinent. Of necessity, this type  $o^{x}$ exchange concerns a particular subsegment of to population: the very wealthy. While the behavior may not be typical of all consumers, it as critical to the understanding of this market, for they not only pay the price, but also to a great extent control the product as well. To date, however, there has been little empirical or theoretical work published on any aspect of marketing in the non-profit sector, and nothing that examines the post-exchange communications of charitable donors.

#### **Postpurchase Communications**

Consumers' postpurchase communications may vary on many dimensions: frequency, duration, intensity, and so on; but their most exhaustively studied aspects appear to be valence and target. Postpurchase communication with negative

valence, usually called complaining, has been the most heavily examined of the possible forms. Some researchers have used the term negative "complaining" to signify all communications about a purchase episode (Singh and Howell 1985; Warland et al. 1984). Richins (1983a, 1987), however, restricts the term "complaining" to attempts to remedy unsatisfactory situation by communicating with the provider (a target internal to the transaction) or with an external party who has potential power such as a lawyer or the Better Business Bureau. Day and Landon (1977a) designate both these targets as "public". Singh (1990) segments those who do such public complaining into two groups: "Voicers", who complain directly to the provider, and "Activists", who complain to a third party. The other possible external target type consists of friends or relatives. Communication denigrating a marketing organization or product to these other potential consumers has been variously labeled "private complaining" (Day & Landon 1977a) or word-of-mouth" (Richins "negative 1983b). People who engage in this behavior Singh calls "Irates". See Table 1 for a comparison of terms.

Table 1 Comparison of Complaint Labeling Approaches

	<u>Internal</u>	External	
Target	Provider	Attorney/ Bet. Bus. Bur.	Friend/ Relative
Day &	Public Complaining		Private
Landon		_	Complaining
Landon Richins	Complaining		Complaining Word-of- Mouth

At the other end of the valence dimension are positive communications, such as compliments or praise. As with negative communications, these may be targeted either toward internal or external parties. However, even though word-of-mouth (WOM) has been repeatedly shown to have a

major effect on purchase decisions (Arndt 1967, Herr et al. 1991, Richins 1983b), neither positive WOM to other potential customers nor praise directly to the provider has received as much attention as complaining in models post-purchase behavior. Notable exceptions are two studies that have looked at both positive and negative post-purchase communications in the context of satisfaction level and relative frequency of type of communication. Both Cadotte and Turgeon (1988) and Swan and Oliver (1989) found praising to be generally related to satisfaction and significantly more frequent in their samples than was complaining.

Dissatisfaction, of course, has been generally associated with negative communications (Bearden and Teel 1983; Day & Landon 1977b; Halstead 1989; Woodruff et al. 1983). Congruently, satisfaction has been generally associated with positive communications. Swan and Oliver (1989) found a positive correlation between satisfaction and positive postpurchase communications both to the provider and to parties external to the transaction among automobile buyers. Similar positive relationships between satisfaction and praise to the provider also have been reported in two studies of the lodging industry (Cadotte and Turgeon 1988; Robinson and Berl 1980).

These relationships between satisfaction and postpurchase communications are, however, far from perfect. It is well known that most people who are dissatisfied do not complain (Day 1984). Swan and Oliver (1989) found that some automobile buyers both praised and complained. Furthermore, in the same study a significant percentage of those who were more-satisfiedthan-not complained. Many attempts have been made to account for ambiguities of this sort by the mutual interdependence of examining dissatisfaction with various personal and situational factors\_in complaining behavior (Day 1984; Although many reviewers Landon 1977). (Andreasen and Manning 1990; Kolodinsky and Aleong 1990; Russo 1979; Singh 1990) conclude that evidence for the power of such determinants of complaining (e.g., race, age, income, community involvement, etc.) has been generally weak, some studies are of particular interest for the present analysis. Various measures of social involvement and value orientation have been

shown be associated with to negative communications. Warland et al. (1984) showed community involvement is positively associated with complaining behavior. Richins (1987) showed that negative WOM (but not complaining to the provider) is related to extent of social interactions. Didow and Barksdale (1982) demonstrated increased complaining when the purchase price and the social risk of the exchange are high. And, Rogers and Williams (1990) show a strong relationship between consumers' values and their complaining behavior.

#### Belationship to the Present Analysis

Since marketing models are purported to apply to both for-profit and non-profit organizations, and since these models have identified factors that affect the nature of post-exchange consumer behaviors in for-profit service settings, it is worth exploring the applicability of these models to non-profit settings. The present analysis is based on a large study which, although its principal purpose was to examine donor motivations in major charitable contributions. produced interesting results relating to post-donation communications by the donor about the non-profit organization. In this study, we direct our attention to post-exchange communications that are either positive (praising) or negative (complaining) in valence and are directed toward targets either internal or external to the transaction.

#### **METHOD**

This study was based on structured personal interviews with donors of large charitable trusts. The survey was large and complex both in its content and its procedures. A description of the sample, the process used to collect the data, and our analytical approach are summarized below.

### Sample

The population from which the sample was drawn consisted of all the individuals who had made charitable trusts in the USA in 1989 in excess of \$1 million. For reasons of practical survey administration, we limited our sample to those living in the four most frequently named

cities of residence in that population: New York City, Chicago, Los Angeles, and Palm Beach. The sample was constituted through cooperation of twelve major national legal and financial firms that establish such trusts, and who were compensated for their role by receiving a summary analysis of the survey data. cooperation of the donors themselves was secured by personal request from the officer or partner of the professional firm who had established their trust. Each donor-respondent was compensated by the donation of \$200 in their name to the charity of their choice. The cooperation rate was virtually 100%, and produced a final sample of 476 individuals believed to be highly representative of those who establish major charitable trusts.

The respondents were typically well-educated, married, and elderly. About two-thirds were female (68.3%). Almost 44% of them were over 65 years old and more than 87% were currently married. Almost 57% were college graduates, and an additional 27% had some graduate school. They were distributed across the four cities: New York City 31%, Chicago 32%, Los Angeles 20%, and Palm Beach 17%.

The amount of money each respondent placed under the subject trust averaged \$2.4 million (+ \$0.6 million). The range of organizations for which the trusts were established was broad, with more than 40% of them in arts and education. Donors typically chose their particular organization because its goals were consistent with their personal values, they had a good friend or relative who was associated with it, and the organization needed what they could give. They had also donated money to an average of 4.9 (+ 2.6) other non-profits in the same\_year. Almost 52% of the respondents were on the board of directors of the non-profit.

#### Process

The interviewers were social science graduate students who had been carefully trained in personal interviewing techniques and who were supervised in the course of the survey by one of the authors. The interviews themselves began with a short period of social conversation followed by a general description of the study. Then the relevant response scale was presented and its use explained.

As each question was asked respondents viewed a copy of the appropriate scale and provided their responses orally to the interviewers who recorded them on the scoring sheet. The interviews were conducted individually at a place of the respondents' choice, usually their homes, and averaged about two hours in length.

The questionnaire used in the interview contained sections addressing various aspects of the respondent's relationship with the non-profit and the professional service firms that established the trust as well as a few basic demographic characteristics of the respondent. The parts of the questionnaire that are relevant to this study focused on the respondents' experiences with the non-profit and their likely future behavior with regard to the organization. Ratings were provided on 10-point scales labeled at the end points, "Not at all True/Satisfied/etc." and "Perfectly True/Satisfied/etc." The questionnaire had been pretested and revised with a subset of the sample to assure that participants would be able to respond appropriately.

The data generated by this interview technique are believed to be highly valid and reliable because they pertained to an event in the respondent's life that was recent (within the last twelve months), unique (most had set up only one such trust during the period), and important (the value of the trusts averaged almost \$2.5 million). The potential problem of skewness expected with the satisfaction data was addressed by the use throughout of the ten-point scale, thus allowing the respondents to make finer discriminations than with shorter scales (Fornell 1991).

#### **Analytical Approach**

Only a portion of the large amount of information generated by this survey was examined in this study. We have limited our scope to postdonation communications about the non-profit to its managers or with other potential donors. This analysis is further limited by the complexity of the relationships among the variables on which data were collected. Time constraints recommended a detailed consideration of only those variables most closely associated with the communications of interest. That is, the independent variables may be thought of as

representing four successive levels of proximity to the postdonation communication. At the most remote level are the demographic characteristics of the donors (e.g., age, marital status, education level, etc.). At the next level are the "objective" features of the transaction such as size of the trust. At the next level are the "subjective" aspects of the transaction such as the donor's assessment of the quality of the non-profit's services. Closest in time to the postdonation communication is the donor's overall feeling of satisfaction with the exchange. Our analysis concentrates on these latter two levels, and simply identifies indications of variables at the earlier levels that may warrant further investigation.

#### RESULTS AND DISCUSSION

The most interesting feature of the data produced by this study are the relationships between target and valence of the postdonation communications and donors' attitudes toward the non-profit. These are shown in Figures 1, 2, and 3

#### Communications with Outsiders

Figure 1 presents the percentage of respondents who estimated their likelihood, at each of ten levels, of communicating with other potential donors to the non-profit. The light bars represent the likelihood of the donor's complaining about the organization and urging others to donate their money elsewhere (mean=1.2, s.d.=0.8), and the dark bars represent the likelihood of the respondents urging others to donate to this organization (mean=7.7, s.d.=1.9). It is clear that there is a much stronger tendency to encourage others to donate to the respondent's non-profit than to discourage them (p<.000).

The pattern of high likelihood of positive WOM almost parallels the pattern of highly positive attitudes reported about the non-profit shown in Figure 2. The dark bars represent the percentage of respondents who rated their satisfaction with the non-profit at each level (mean=8.2, s.d.=1.2). The half-tone bars represent the percentage of respondents who rated the organization's competence at each level (mean=8.0, s.d.=1.1). The light bars represent

Figure 1
Likelihood of Conveying Positive or
Negative Comments to Other
Potential Donors

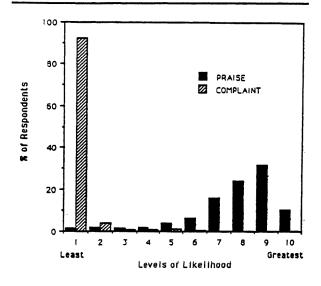


Figure 2
Ratings of Positivity Toward
Non-Profit Organization on
Three Measures

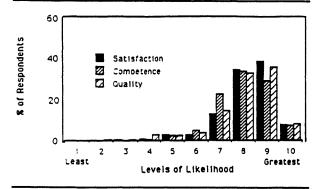
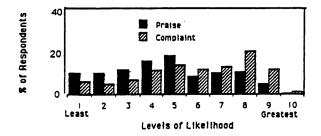


Figure 3
Likelihood of Conveying Positive or Negative Comments to Management



the percentage of respondents who rated the quality of service provided by the non-profit (mean=8.1, s.d.=1.4). Here we see that for all three measures of attitude about their association with the organization, the means are quite high and the variation across respondents is low.

This graphic indication of relationship between positivity of attitudes toward the non-profit and positive communications targeted toward potential donors is supported by the results of multiple regression analysis which showed likelihood of positive WOM to be associated with quality of service (B=.34, p<.000), the non-profit's competence (B=.30, p<.000), and the donor's ratings of their own competence (B=.21, p<.000). (Note: Satisfaction is correlated with the ratings of the organization's competence (r=.31, p<.001) and their quality of service (r=.28, p<.001) and thus does not appear in the final regression equation.) Together, these measures account for 19% of the variance in donor's ratings of their tendency toward positive WOM. The proportion of donors with any intention to complain was small (<8%), and the regression for negative WOM shows only a very small relationship with one predictor (satisfaction: B=-.12, p < .000), which has negligible predictive power (R2=.04).

These results are not at all surprising in themselves. We would expect on the basis of all the empirical and theoretical work that has gone before for WOM to be associated with satisfaction and quality measures. If anything, we may be surprised that there is so little tendency towards negative WOM given that satisfaction was not perfect. The significant negative correlation (r=-.36, p<.001) between the donors' rating of the similarity between their own and the non-profit's goals and their likelihood of negative WOM supports the speculation that the donors who have made a very large and personal commitment to the non-profit would be loath to attack it openly and thereby risk damaging their own and the organization's image.

### Communications with the Non-Profit

What makes the above results interesting is their contrast with the analyses of the data on communications with the organization. Figure 3

shows the percentage of respondents who estimated their probability of communicating with the managers of the non-profit. The light bars represent the likelihood of complaining to the non-profit (mean=5.9, s.d.=2.4), and the dark bars represent the likelihood complimenting (mean=4.7, s.d.=2.3). It is clear here that there is a stronger tendency to complain than to praise (p<.000), and that there is relatively higher variability across the respondents than with external communications. This pattern is difficult to explain in light of the attitude data alone: Respondents, while highly satisfied. predominantly inclined to complain.

Attempts to elucidate this point by regression analyses of measures of the subjective aspects of the charitable exchange and satisfaction accounted for only a small proportion of the variance (R2=.08) in praising to the managers of the organization (involvement: B=.27, p<000; quality of service: B=.21, p<.05), and none of the variance at all for complaining to managers. These results beg the question of what is associated with praising and complaining to managers. For this reason we regressed praising and complaining on an expanded set of predictor variables that included measures of the change in attitude over the period of the donor's association with the non-profit organization. The additional explanatory value was negligible.

We also reviewed the correlations of these two variables with donor demographics and measures of objective features of the exchange. There were a few significant associations, most of them to the effect that both the likelihood of praising managers and of refraining from complaining to them are related to involvement with and investment in the organization. Positively associated with tendency to praise are total time donated to charity (r=.17,p < .001), dollar value of the trust (r = .14, p<.01), and serving on the board of directors (chi square = 14.3, d.f. = 6, p < .05). Negatively associated with likelihood of complaining are similarity of goals (r=-.13, p<.01) and serving on the board of directors (chi square = 27.6, d.f. = 6, p < .001). The intention to complain was positively associated only with age of the donor (r=.17, p<.001). However, informal comments made by the donors during the survey strongly suggest that among this population there is a belief that giving a large donation entitles the donor to complain to the non-profit's managers whenever anything occurs that is not to the donor's exact liking.

#### **CONCLUSIONS**

This study presents intriguing information about the postpurchase communication behavior of a critical consumer element in an increasingly important domain: wealthy individuals' charitable exchanges. The analysis supports the extension of theory linking satisfaction existing word-of-mouth communications to non-profit Both positive and negative transactions. communications with other potential donors were influenced by satisfaction and related measures of quality. Managers of non-profit organizations -educational, cultural, and the like -- would be well advised to satisfy their current donors in the interest of stimulating future donations from others.

However, in their communications with the managers of the non-profit organization, the rich really do appear to be different. Neither complaining nor praising to the organization itself is much related to measures of satisfaction and quality. Praising the managers directly seems to be related to degree of involvement with the charity, but complaining -- contrary to the literature about commercial transactions -- is not. Instead it is suggested that donors may see themselves in this exchange situation not as customers, but as quasi-employers entitled -- or even obliged -- to oversee and criticize the nonprofit, no matter what their basic satisfaction may be.

This situation may not indicate that the marketing model is irrelevant for direct complaining in non-profit exchanges, but rather that the special, possibly power-based, relationship between buyer (donor) and seller (non-profit manager) overshadows the effects of satisfaction and that communications in this context may not have the same meaning that we have come to understand for complaining and praising managers in the for-profit sector. Further research on the effects of buyer role and behavioral involvement in a variety of service exchanges is needed to clarify these possibilities.

#### REFERENCES

- Andreasen, Alan R. and Jean Manning (1990), "The Dissatisfaction and Complaining Behavior of Vulnerable Customers," Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 3, 12-20.
- Arndt, Johan (1967), "The Role of Product-related Conversations in the Diffusion of a New Product," Journal of Marketing Research, 4 (August), 291-295.
- Bagozzi, Richard P. (1975), "Marketing as Exchange," Journal of Marketing, (October) 32-39.
- Bearden, William and Jesse E. Teel (1983), "Selected Determinants of Consumer Satisfaction and Complaint Reports," *Journal of Marketing Research*, 20 (February), 21-28.
- Berkowitz, Eric N., Roger A. Kerin, and William Rudelius (1979), *Marketing*, (2nd Edition), Boston, MA: Irwin.
- Cadotte, Ernest R. and Normand Turgeon (1988), "Satisfiers and Dissatisfiers: Suggestions from Consumer Complaints and Compliments," Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 1, 74-79.
- Day, Ralph L. (1984), "Modeling Choices Among Alternative Responses to Dissatisfaction," in Thomas Kinnear, ed., Advances in Consumer Research, 11, 496-499.
- Day, Ralph L. and E. Laird Landon (1977a), "Toward a Theory of Consumer Complaining Behavior," in Woodside, A., J. Sheth, and P. Bennett, Consumer and Industrial Buying Behavior, New York: North-Holland, 425-437.
- Day, Ralph L. and E. Laird Landon (1977b), "Collecting Comprehensive Consumer Complaint Data by Survey Research," in Ralph Day, ed., Consumer Satisfaction, Dissatisfaction, and Complaining Behavior, Bloomington, IN: School of Business, Indiana University, 263-268.
- Didow, Nicholas M. and Hiram C. Barksdale, Jr. (1982), "Conjoint Measurement Experiment of Consumer Complaining Behavior," *Journal of Business Research*, 10, 419-429.
- Fornell, Claes (1991), "A National Customer Satisfaction Barometer: The Swedish Experience," Ann Arbor, MI: The Office for Customer Satisfaction Research, School of Business Administration, University of Michigan.
- Guy, Bonnie S. and Wesley E. Patton (1988), "The Marketing of Altruistic Causes: Understanding Why People Help," *Journal of Services Marketing*, (Winter) 5-16.
- Halstead, Diane (1989), "Expectations and Disconfirmation Beliefs as Predictors of Consumer Satisfaction, Repurchase Intention, and Complaining Behavior: An Empirical Study," Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 2, 18-21.
- Herr, Paul M., Frank R. Kordes, and John Kim (1991),

- Effects of Word-of-mouth and Product Attribute Information ion Persuasion: An Accessibility and Diagnosticity Perspective," *Journal of Consumer Research*, 17 (March), 454-462.
- Kolodinsky, Jane and John Aleong (1990), "An Integrated Model of Consumer Complaint Action Applied to Services: A Pilot Study," Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 3, 61-70.
- Kotler, Philip (1982), Marketing for Non-Profit Organizations, Englewood Cliffs, NJ: Prentice Hall.
- Kotler, Philip and Sidney J. Levy (1969), "Broadening the Concept of Marketing," Journal of Marketing, (January), 10-15.
- Landon, E. Laird, Jr. (1977), "A Model of Consumer Complaint Behavior," in Ralph Day, ed., Consumer Satisfaction, Dissatisfaction, and Complaining Behavior, Bloomington, IN: School of Business, Indiana University.
- Lovelock, Christopher H. and Charles V. Weinberg (1978), "Public and Non-Profit Marketing Comes of Age," in Gerald Zaltman and Thomas V. Bonoma, eds. *Review of Marketing 1978*, Chicago: American Marketing Association.
- Richins, Marsha L. (1983a), "Negative Word-of-Mouth by Dissatisfied Consumers: A Pilot Study," *Journal of Marketing*, 47, (Winter), 58-78.
- Richins, Marsha L. (1983b), "Word-of-Mouth Communication as Negative Information," in Thomas Kinnear, ed., Advances in Consumer Research, 11, 69
- Richins, Marsha L. (1987), "A Multivariate Analysis of Responses to Dissatisfaction," Journal of the Academy of Marketing Science, 15 (Fall), 24-31.
- Robinson, Larry M. and Robert L. Berl (1980), "What about Compliments: A Follow-Up Study on Customer Complaints and Compliments," in H. Keith Hunt and Ralph L. Day (eds.), Refining Concepts and Measures of Consumer Satisfaction and Complaining Behavior, Bloomington, IN: Division of Research, School of Business, Indiana University, 144-148.
- Rogers, J. C. and T. G. Williams (1990), "Consumer Personal Values as Antecedents to Dyadic and Third Party Public Consumer Complaining Behavior: An Exploratory Study," Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior, 71-81.
- Russo, J. Edward (1979), "Consumer Satisfaction and Dissatisfaction: An Outsider's View", William Wilkie, ed., Advances in Consumer Research, 6, 453-5.
- Shapiro, Benjamin (1973), "Marketing for Non-Profit Organizations," *Harvard Business Review*, (September-October), 123-32.
- Singh, Jagdip (1990), "A Typology of Consumer Dissatisfaction Response Styles," *Journal of Retailing*, 66 (Spring), 57-99.
- Singh, Jagdip and Roy D. Howell (1985), "Consumer Complaining Behavior: A Review and Prospectus," in H. Keith Hunt and Ralph L. Day, eds., Consumer

- Satisfaction, Dissatisfaction and Complaining Behavior, 41-49.
- Swan, John E. and Richard L. Oliver (1989), "Postpurchase Communications by Consumers," Journal of Retailing, 65 (Winter), 516-533.
- TARP (1986), "Consumer Complaint Handling in America: An Update Study," Washington, D.C.: White House Office of Consumer Affairs.
- Warland, Rex H., Robert O Herrmann and Dan E. Moore (1984), "Consumer Complaining and Community Involvement: An Exploration of Their Theoretical and Empirical Linkages," The Journal of Consumer Affairs, 18 (Summer), 64-78.
- Woodruff, R. B., E. R. Cadotte and R. L. Jenkins (1983), "Modeling Consumer Satisfaction Processes Using Experience Based Norms," *Journal of Marketing* Research, 20 (August), 286-304.

Send correspondence regarding this article to:

Dianne S. P. Cermak 422 Hayden Hall Northeastern University Boston, MA 02115