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VOLUME 34 TABLE OF CONTENTS

| | |
|--|-----|
| Letter from the Editor: Future Directions for the <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> Newell D. Wright | vi |
| Does Existential Wellbeing Promote Positive Attitudes about Entrepreneurs? Clay Routledge, Taylor A. FioRito, John D. Bizan and Andrew A. Abeyta | 1 |
| Consumer (Non) Complaint Behavior: An Empirical Analysis of Senior Consumers in Germany Norbert Meiners, Elmar Reucher, Hafiz T.A. Khan and Lukas Spille | 16 |
| Negative Word of Mouth: A Systematic Review and Research Agenda Swapan Deep Arora, Devashish Das Gupta, and Gillian S. Naylor | 33 |
| Extending the Argument: A Case Study Exploring How to Combat and Decay Consumer Grudges Onnolee Nordstrom and Laura Egan | 79 |
| A Comprehensive Model of Brand Love/Hate Rozbeh Madadi, Ivonne M. Torres, and Miguel Ángel Zúñiga | 103 |
| Forgiving a Loved Brand in the Face of Transgression: An Exploratory Study Komal S. Karani | 119 |
| Turning Point Analysis of Brand Love Trajectories Vivek Pani Gumparathi, Mala Srivastava, and Devjani Chatterjee | 132 |
| Customer Satisfaction and Commitment: Considering Relational Investment and Rapport in Customer Service Interactions Kim K. Smith | 164 |
| Ethnic Congruity Motive: When Service Encounters with Hispanic Frontline Employees Enhance Hispanic Customers' Service Satisfaction Alexandra Aguirre-Rodriguez, Patricia L. Torres, and Stella Tavallaei | 186 |
| Frontline Human Capital and Consumer Dissatisfaction: Evidence from the U.S. Airline Industry Amit Jain Chauradia, Chad Milewicz, Raj Echambadi, and Jaishankar Ganesh | 216 |
| Personality and Preferences for Characteristics of Pay for Performance Plans: A Path to Job Satisfaction and Customer Satisfaction Charles D. Stevens and Ronald A. Ash | 244 |

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LETTER FROM THE EDITOR: FUTURE DIRECTIONS FOR THE JOURNAL OF CONSUMER SATISFACTION, DISSATISFACTION AND COMPLAINING BEHAVIOR

Newell D. Wright, Ph.D.
North Dakota State University

In April of 2021, I took over the editorship of the *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*. I want to publicly thank the previous editor, Gillian S. Naylor, for all of the help, encouragement, support, and knowledge she gave to me as we made the transition. I would have had a very different editorial experience this year had it not been for her generosity in terms of time and helpfulness. I am still in contact with her regularly, though I have had to rely on her less and less as time goes by. This makes me the fifth editor to take over the reins of the journal since its inception in 1988 (Larsen and Wright 2017). I truly stand on the shoulders of the giants in the field who have gone before me.

A new editor brings about new directions and changes. The first thing you may notice is that the journal is no longer published in two columns per page, but as a single, wide column. Historically, two columns made reading densely packed paper pages easier without resorting to large fonts or small page sizes. But on screens, readers can handle as many as 100 characters per line (CPL) instead of the 40 CPL for dual columns (Dyson and Kipping, 1998). On a normally formatted page of the journal, we have an average of 100 CPL. Since there are no longer print copies of this journal, we are adopting the single column format. Readers with poor eyesight have the ability to zoom in or out to make the screen larger or smaller (an advantage absent in print journals).

We have also started adding “direct object indicators” (DOI) to references and will expect that future journal submissions include all available DOIs in the references section of each paper. A DOI is a permanent, clickable link that goes directly to the article in question, assuming your institution has access to that journal. If not, it defaults to the abstract of the article. And while we do not yet assign DOIs to articles published in this journal, we hope to by our next publication.

Another change pertains to copyrights. As of this volume, we explicitly allow authors of published papers to submit their research published in our journal to research aggregators, such as researchgate.net and academia.edu. You have our permission, indeed, our encouragement, to post the published PDF file containing your article to these aggregators. This increases our exposure, and the articles will be indexed on Google Scholar. For example, my 2017 article cited above has been read over 2,000 times as of this writing, thanks to its listing under my profile at researchgate.net.

As we move forward, we will likely make additional changes to enhance and strengthen the positioning and impact of the journal. Future improvements may include adding a second, or perhaps even a third issue of the journal to each volume; special issues on various topics (e.g., life satisfaction and quality of life; extended service encounters and satisfaction/dissatisfaction, etc.); targeting younger and more globally oriented researchers, etc. As we embark on our 35th year of publication, we want to remain relevant well into the future.

Speaking of our 35th year of publication, in our December 2022 issue, we wish to include a section of essays on the impact H. Keith Hunt had on both the discipline and our careers. Has he influenced your academic career or your life in any way? If so, we would love to hear about it.

Please send an essay of no more than 2,500 words to newell.wright@ndsu.edu by September 1, 2022. These essays will not be peer reviewed but will be published as a *Festschrift* in his honor.

In this volume of the journal, we are publishing 11 articles from scholars across the globe. Our lead-off article, by Clay Routledge, Taylor A. FioRito, John D. Bitzan, and Andrew A. Abeyta, examines whether existential wellbeing (life satisfaction) promotes positive attitudes about entrepreneurs. Our next article, by four researchers from Europe, Norbert Meiners, Elmar Reucher, Hafiz T.A. Kahn, and Lukas Spille, analyzes the complaint behavior of senior consumers in Germany. Given that there is very little research on elderly complaining behavior, this article makes an important contribution. Our third article, by Swapan Deep Arora, Devashish Das Gupta, and Gillian S. Naylor, is a comprehensive review and research agenda about negative word of mouth. Our fourth article, by Onnolee Nordstrom and Laura Egan, uses a qualitative methodology to expand the theory on combatting and decaying consumer grudges.

Interestingly, some of these articles in this volume cluster around various topics. For example, we have three articles that explore the various attributes of brand love or hate, and four articles that discuss the impact of human resources on customer satisfaction.

The first of three brand love/hate articles is a comprehensive model of brand love and hate by Rozbeh Madadi, Ivonne M. Torres, and Miguel Ángel Zúñiga. The second article, by Komal S. Karani, examines forgiving loved brands in the face of a transgression. The third article, by Vivek Pani Gumparthi, Mala Srivastava, and Devjani Chatterjee, uses turning point analysis to examine the trajectories of loved brands from first contact to the present moment.

The first of four articles discussing the impact of human resources on consumer satisfaction is by Kim K. Smith and focuses on employee rapport and relationship-building to produce customer satisfaction. The second article, by Alexandra Aguirre-Rodriguez, Patricia L. Torres, and Stella Tavallaei, examines how service encounters with frontline Hispanic employees enhance Hispanic customers' satisfaction. The third article, by Amit Jain Chauradia, Chad Milewicz, Raj Echambadi, and Jaishankar Ganesh, studies how investments in frontline human capital, or the lack thereof, relate to consumer dissatisfaction. The final article, by Charles D. Stevens and Ronald A. Ash, looks at how compensation plans can lead to increased or decreased employee satisfaction and how that impacts overall customer satisfaction.

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DOES EXISTENTIAL WELLBEING PROMOTE POSITIVE ATTITUDES ABOUT ENTREPRENEURS?

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ABSTRACT

Entrepreneurs play a vital role in creating and sustaining the type of dynamic and competitive marketplace that supports consumer satisfaction and broader wellbeing. However, wellbeing may also play an important role in promoting a culture of entrepreneurship. In the current study (N = 1,269), we focus specifically on existential wellbeing, which may positively influence attitudes about entrepreneurship. Entrepreneurship involves agentic, goal-direction action. Meaning in life is an indicator of existential wellbeing and has been shown to support agentic thinking and goal-pursuit. Thus, meaning in life may promote the type of agentic mindset that encourages people to have positive attitudes about the role of entrepreneurs in society. We tested this proposal by measuring perceptions of meaning in life, feelings of agency associated with meaning (existential agency), and attitudes about entrepreneurs. We found support for a model linking meaning in life to positive attitudes about entrepreneurs via existential agency.

INTRODUCTION

Entrepreneurs play an important role in increasing consumer choice, in facilitating economic growth, and in enhancing overall societal well-being. As pointed out by Kirzner (1973), entrepreneurs identify profit opportunities and shift resources to locations or activities that satisfy consumer wants. Schumpeter (1942) identifies the role that entrepreneurs play in the process of “creative destruction,” where innovations create new products, services, and production techniques that replace those currently in place. Not only do these entrepreneurial activities increase the variety and quality of choices available to consumers, they also increase the efficiency with which resources are used, enabling the production of more goods and services and overall higher standards of living.

In recognizing the important role entrepreneurs play in consumer satisfaction, business dynamism, and overall societal well-being, a number of researchers have examined influences of country-level political, economic, and cultural institutions in enabling this positive role for entrepreneurs (e.g. Baumol 1990, Sobel 2008, Nikolaev et. al 2018, and Bennett 2021).¹ For

¹ For a summary of comparative international entrepreneurship studies examining individual-level, firm-level, and country-level characteristics, see Terjesen (2016).

example, Sobel (2008) finds that individuals are more likely to engage in productive entrepreneurship in societies with “secure property rights, a fair and balanced judicial system, contract enforcement, and effective constitutional limits on government’s ability to transfer wealth through taxation and regulation.” While studies have also examined the characteristics of individuals (including psychological characteristics) that influence their likelihood of becoming entrepreneurs (see Terjesen, 2016 for international comparison studies), we’re not aware of any that examine individual characteristics that influence support for entrepreneurship and the systems that make entrepreneurship more successful.

We propose that the psychology of wellbeing plays an important role in cultivating a culture of entrepreneurship. Given the social and cultural nature of human beings (Baumeister, 2005), entrepreneurship is more likely to thrive not just as the result of market-friendly economic policy, but also if the broader society believes entrepreneurs make valuable contributions to the world. Moreover, a society that believes entrepreneurs make valuable contributions to the world is also more likely to enact market –friendly economic policies.

To date, social and behavioral scientists have not studied what psychological characteristics influence attitudes about the role entrepreneurs play in society. We propose that psychological wellbeing, and more specifically, existential wellbeing contributes to positive attitudes about entrepreneurship. This proposal is based on a motivational approach to existential wellbeing that identifies meaning in life as a psychological resource that inspires the type of individual agency that promotes societal flourishing (Routledge & FioRito, 2021). The more people view their lives as meaningful, the more they view themselves as having the personal agency required to find, maintain, and restore meaning (existential agency). Given the agentic nature of entrepreneurship, we predict that meaning in life will positively influence attitudes about entrepreneurship via existential agency. If people view themselves as existentially agentic, they should be more inclined to believe people in general are able to make important contributions to society through the agentic activity of entrepreneurship. In the present study, we test this proposed model in a national sample of adults living in the United States.

THE EXISTENTIAL DIMENSION OF PSYCHOLOGICAL WELLBEING

Psychological wellbeing concerns optimal psychological functioning and is a complex concept that can be divided into a number of different components relevant to mental and physical health, self-regulation, self-determination, and psychological growth (Ryan & Deci, 2001). Existential wellbeing involves the human capacity to grapple with questions and concerns about meaning in life and related issues (Hicks & Routledge, 2013). A number of theoretical perspectives have asserted that humans have a strong need to attain and maintain a sense of meaning in life (e.g., Frankl, 1959; Yalom, 1980; Ryff & Singer, 1998). Meaning in life reflects the sense that one’s existence and life experience is coherent, significant, and purposeful (King, Heintzelman, & Ward, 2016). Numerous studies have documented that meaning in life is an important component of overall psychological wellbeing (Heintzelman & King, 2014; Steger & Frazier, 2005). Meaning is strongly associated with life satisfaction (e.g., Steger & Kashdan, 2007) and life satisfaction is an overall indicator of wellbeing that is determined by satisfaction across the different life domains that influence wellbeing (Sirgy et al., 1998). Meaning also serves as a critical resource for coping with life stressors and trauma (Park, 2010). And deficits in meaning contribute to a range of psychological problems such as depression (Mascaro & Rosen, 2005), addiction (Kinnier, Metha, Keim, & Okey, 1994), and suicidal ideation (Edwards & Holden, 2001). In addition, meaning in life is associated with physical health (Steger, Mann, Michels, & Cooper, 2009) and longevity

(e.g., Hill & Turiano, 2014). In sum, existential wellbeing is a critical component of optimal human functioning.

A MOTIVATIONAL MODEL OF MEANING

Indicators of psychological wellbeing are typically viewed as outcome variables. For example, in the case of existential wellbeing, researchers usually focus on the experiences, identities, goals, and accomplishments that increase or decrease perceptions of meaning in life (see Hicks & Routledge, 2013; Vail & Routledge, 2020). In other words, meaning is considered a desired outcome because it is viewed as a fundamental human need that must be met for humans to be psychologically healthy. However, consistent with Victor Frankl's (1959) observations that maintaining a sense of meaning in life is key for sustaining the motivation to persist and overcome life's most difficult trials, a growing body of research indicates that meaning in life has self-regulatory and motivational power with important implications for individual and societal flourishing (Routledge & FioRito, 2021). In fact, the reason meaning in life is associated with good psychological and physical health might be because of its self-regulatory and motivational properties. That is, meaning inspires the types of attitudes, goals, and behaviors that improve people's lives. For instance, when people's attention is focused on meaning in life, they exercise more frequently and for longer intervals (Hooker & Masters, 2016; 2018), and physical exercise positively contributes to physical and mental health.

More broadly, meaning in life inspires an agentic and goal-directed mindset. For example, after reflecting on meaningful memories, people report a stronger motivation to pursue goals (Abeyta, Routledge, & Juhl, 2015; Sedikides et al., 2018) and confidence in achieving goals (Abeyta et al., 2015). Other studies find that encouraging college students to view education as contributing to meaning in life promotes the belief that they can succeed in college (Abeyta & Collier, 2021), increases persistence on tedious academic tasks, and contributes to higher grades (Yeager et al., 2014). Similarly, working adults who view their work as meaningful show stronger job commitment and job performance (Steger, Dik, & Duffy, 2012). In addition, meaning in life is associated with self-control (Li, Salcuni, Delvecchio, 2019) and predicts longitudinally the personality trait of grit (Hill, Burrow, & Bronk, 2014). Grit is an action tendency that describes an intense perseverance for accomplishing goals and overcoming challenges (von Culin, Tsukayama, & Duckworth, 2014).

Given that a number of correlational, longitudinal, and experimental studies indicate that meaning inspires agency, Abeyta, FioRito, and Routledge (2021) developed a measure of existential agency to explicitly capture this motivational dimension of meaning. Other meaning in life measures focus on overall perceptions of meaning (presence of meaning) or the extent to which people are looking for meaning (search for meaning), but do not assess the extent to which people view themselves as active agents in the pursuit and maintenance of a meaningful life. Abeyta and colleagues (2021) find that existential agency uniquely predicts goal-oriented motivation when controlling for the presence of meaning in life and related wellbeing measures.

CURRENT RESEARCH: EXISTENTIAL WELLBEING, EXISTENTIAL AGENCY, AND ATTITUDES ABOUT ENTREPRENEURSHIP

Past research has explored how economic and consumer-related variables influence overall wellbeing (e.g., life satisfaction; Wright & Larsen, 1993) and existential wellbeing (e.g., meaning in life; Abeyta et al., 2016; Abeyta, Routledge, & Sedikides, 2017). In the present study, we are interested in how wellbeing potentially contributes to attitudes that may ultimately increase

consumer satisfaction by promoting the type of entrepreneurial culture that increases business dynamism and consumer choice. Specifically, the current research focuses on attitudes about entrepreneurs. Humans are social and ultimately cultural organisms and thus societal attitudes can dramatically impact people's interests, goals, and behaviors. As a result, the more people view entrepreneurs as playing a positive and important role in society, the more individuals may be inspired to pursue entrepreneurship, help others pursue their entrepreneurial aspirations, or support policies that encourage and support entrepreneurship and innovation.

To our knowledge, there is no research considering how psychological characteristics relate to attitudes about the role entrepreneurs play in a society. Given that entrepreneurship is characterized by high levels of agency (e.g., motivation, risk-taking, persistence, and resilience) and meaning in life promotes an agentic mindset, we propose that meaning in life will be positively associated with positive attitudes about the role entrepreneurs play in society. We further propose that existential agency will mediate the relationship between meaning in life and attitudes about entrepreneurs. If people view themselves as existentially agentic, they may be more likely to believe that people in general can contribute to society through agentic activity such as entrepreneurship. Such a finding would provide evidence that it is the agentic nature of existential wellbeing that relates to attitudes about entrepreneurs, and not just a general positivity bias. That is, perhaps when people feel meaningful they are more generally positive in their outlook, which could lead to them having a more positive view of entrepreneurs. If it is the agency associated with meaning that accounts for the proposed relationship between meaning in life and positive attitudes about entrepreneurs then existential agency should mediate the relationship between meaning in life and attitudes about entrepreneurs. In addition, since meaning in life is correlated with a range of other variables that could influence attitudes about entrepreneurs such as political ideology (Newman et al., 2018), religiosity (e.g., Routledge, Abeyta, & Roylance, 2017), social connectedness (e.g., Lambert et al., 2013), employment (Abeyta et al., 2016), and income (Ward & King, 2016), we control for these variables in our analyses. Finally, as a further way to test that it is the agency associated with meaning and not people's current desire to find meaning in life that explains our predicted findings, we also control for the search for meaning in our analyses.

METHOD

Participants

Our sample includes 1,269 adults (718 females; 56.6 percent, $M_{age} = 45.36$, $SD_{age} = 16.02$) living in the United States recruited using the Cloud Research panel service. The majority of the sample identified as White/non-Hispanic (73.9%), while 11.5% identified as African American, 5.5% were Latino/Hispanic, 3.4% were Asian American, 0.1% were West Indian, and 5.6% identified as an "Other" ethnicity. We also collected demographic information on the participants' schooling and income. 2.7% of the sample have some high school, but no degree, 19.6% are high school graduates, 24.4% received some college credit but no degree, 5% attended trade school, 11.6% received an Associate's degree, 25.1% have a Bachelor's degree, 7.9% received a Master's degree, 1.8% report a Professional degree, and 1.8% have a Doctorate degree. When reporting income, 16.8% reported an income level less than \$20,000, 19.6% earn \$20,000 to \$34,000, 17.6% earn \$35,000 to \$49,000, 19.4% earn \$50,000 to \$74,999, 12% earn \$75,000 to \$99,000, and 14.5% earn over \$100,000.

Measures

Presence of meaning and search for meaning. To measure the extent to which people perceive their lives as meaningful and are actively searching for meaning in life, we administered the Meaning in Life Questionnaire (MILQ; Steger, Frazier, Oishi, & Kaler, 2006), which features two subscales: Presence of Meaning (“I understand my life’s meaning”, 1 = *Absolutely untrue*, 7 = *Absolutely true*; $\alpha = .83$, $M = 5.03$, $SD = 1.30$) and Search for Meaning (“I am seeking a purpose or mission for my life”; $\alpha = .89$, $M = 5.27$, $SD = 1.31$).

Existential Agency. To measure the agentic dimension of meaning, we administered the Existential Agency Scale, a 7-item measure that examines one’s belief in her or his ability to pursue, achieve, maintain, and restore meaning (Example items: “When life feels meaningless, I am capable of restoring a sense of meaning in life”; “I have the ability to pursue a meaningful life”, 1 = *Strongly disagree*, 7 = *Strongly agree*; $\alpha = .83$, $M = 5.37$, $SD = 1.02$; Abeyta et al., 2021).

Employment status. Participants were asked to indicate their current employment situation (e.g., currently working full-time, currently working part-time, unemployed and looking for work, currently unemployed and not looking for work). We categorize those that work full-time or part-time as “employed” and those that were “unemployed”, regardless if they were looking for work, as “unemployed.” For analyses, we dummy-code this variable such that employed = 1 and unemployed = 0.

Social Support from Family and Friends. Social support was measured with 6-items concerning participants’ family and friends, such as “I have a loving and supportive family” ($\alpha = .94$, $M = 5.32$, $SD = 1.75$) and “If I ever need help, I know I can count on my friends” ($\alpha = .94$, $M = 5.04$, $SD = 1.61$).

Religiosity. To measure religiosity we administered the Duke University Religion Index (DUREL; Koenig & Büssing, 2010). A sample item is “In my life, I experience the presence of the Divine (i.e., God)” (1 = *Definitely not true*, 5 = *Definitely true of me*; $\alpha = .90$, $M = 2.57$, $SD = 1.34$).

Other Demographics. Political ideology was measured with a single item in which participants indicated how conservative or liberal they are (1 = very conservative to 9 = very liberal). For income, participants had six options to select from with higher numbers reflecting higher income (e.g., 1 = less than \$20,000 and 6 = over \$100,000).

Attitudes about Entrepreneurs. To measure the extent to which participants believe entrepreneurs positively contribute to societal flourishing, we created a 5-item questionnaire. The five items are as follows: “Entrepreneurs have an important role to play in solving national and global problems”, “Entrepreneurs can have a powerful positive impact on the quality of our lives”, “Entrepreneurs can help provide solutions to the big problems we face in our society”, “Entrepreneurs help themselves, not society” (reversed), and “In order to develop innovative and creative solutions to current and future societal problems, we need more entrepreneurs” (1 = *Strongly disagree*, 7 = *Strongly agree*; $\alpha = .79$, $M = 5.05$, $SD = 1.05$).

RESULTS

First, we report the zero-order correlations of the variables of interest (see *Table 1*). As predicted, presence of meaning in life was associated with positive attitudes about entrepreneurs and was positively associated with existential agency. Existential agency was also associated with positive attitudes about entrepreneurs.

Table 1

Zero order correlations (N = 1,269)

| Factor | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| 1 Attitudes about Entrepreneurs | .37** | .22** | .11** | .17** | .20** | .03 | .17** | .13** | -.001 | .08** |
| 2 Existential agency | - | .67** | -.06* | .34** | .38** | -.04 | .15** | .27** | -.14** | .22** |
| 3 Presence of meaning | | - | -.07* | .41** | .46** | -.01 | .19** | .34** | -.15** | .16** |
| 4 Search for meaning | | | - | -.03 | -.01 | .19** | -.03 | .07* | .08** | -.30** |
| 5 Family social support | | | | - | .52** | .01 | .24** | .16** | -.08** | .09** |
| 6 Friend social support | | | | | - | .06** | .20** | .16** | -.02 | .06** |
| 7 Employment ^a | | | | | | - | .25** | -.09** | .09** | -.37** |
| 8 Income | | | | | | | - | -.03 | .01 | .04 |
| 9 Religiosity | | | | | | | | - | -.28** | .19* |
| 10 Political identity | | | | | | | | | - | -.20** |
| 11 Age | | | | | | | | | | - |

Note. ^aemployed = 1, unemployed = 0. $p < .05^*$, $p < .01^{**}$, $p < .001^{***}$

Table 2

Predictors of Attitudes about Entrepreneurs.

| Variable | Model 1 | | | | Model 2 | | | |
|--------------------------------|----------|-------------|---------|---------------|----------|-------------|---------|----------------|
| | <i>B</i> | <i>SE B</i> | β | 95% CI | <i>B</i> | <i>SE B</i> | β | 95% CI |
| Constant | 2.94** | .21 | | [2.53, 3.35] | 1.95 | .22 | | [1.52, 2.38] |
| Presence of meaning | .10** | .03 | .13 | [0.05, 0.15] | -.07* | .03 | -.09 | [-0.13, -0.02] |
| Existential agency | | | | | .40** | .04 | .38 | [0.33, 0.47] |
| Search for meaning | .11** | .02 | .15 | [0.07, .15] | .10** | .02 | .14 | [0.06, 0.14] |
| Family social support | .02 | .02 | .03 | [-0.02, 0.06] | .01 | .02 | .02 | [-0.03, 0.05] |
| Friend social support | .06* | .02 | .09 | [0.01, 0.10] | .04 | .02 | .05 | [-0.01, 0.08] |
| Employment status ^a | -.01 | .06 | -.006 | [-0.14, 0.11] | -.01 | .06 | -.01 | [-0.13, 0.11] |
| Income | .08** | .02 | .12 | [0.04, 0.11] | .08** | .02 | .04 | [0.04, 0.11] |
| Religiosity | .04 | .02 | .05 | [-0.01, 0.09] | .03 | .02 | .04 | [-0.01, 0.08] |
| Political identity | .02 | .01 | .04 | [-0.01, 0.04] | .02 | .01 | .05 | [-0.001, 0.04] |
| Age | .005* | .002 | .08 | [0.001, 0.01] | .002 | .002 | .04 | [-0.001, 0.01] |
| <i>R</i> ² | .10 | | | | .18 | | | |

Note. *N* = 1,268. CI = confidence interval. In Model 1 we regressed attitudes about entrepreneurs on presence of meaning and the control variables (search for meaning, family support, friend support, employment status, income, religiosity, political identity, and age). In Model 2 we added existential agency as a predictor. ^aemployed = 1, unemployed = 0.

p* < .05. *p* < .001

To address our hypothesis that the presence of meaning will contribute to positive attitudes about entrepreneurs because of its positive association with existential agency, we conducted a mediation analysis. First, we regressed attitudes about entrepreneurs on the presence of meaning in life and included search for meaning, social support (from family and friends), employment status, income, religiosity, political identity, and age as control variables (see Model 1 in *Table 2*). Presence of meaning positively predicted attitudes about entrepreneurs independently of the control variables. Next, we added existential agency as a predictor in the regression model. When we regressed attitudes about entrepreneurs on presence of meaning, existential agency, and the control variables, presence of meaning negatively predicted attitudes about entrepreneurs, whereas existential agency positively predicted attitudes about entrepreneurs (see Model 2 in *Table 2*). Thus, if it were not for existential agency, presence of meaning would be associated with less positive attitudes about entrepreneurs. We used a bootstrapping technique (Hayes, 2017; PROCESS Model 4; 5,000 bootstraps) to verify the statistical significance of the indirect effect that presence of meaning predicts more positive attitudes for entrepreneurs via existential agency. Supporting the significance of the indirect pathway, the 95% confidence intervals for the indirect effect did not include 0, $b = .17$, $SE = 0.02$, 95% $CI[0.14, 0.21]$.

DISCUSSION

The present research offers the first analysis of how psychological wellbeing, and existential wellbeing in particular, potentially influences people's attitudes about entrepreneurs. Entrepreneurship is an increasingly popular topic in the behavioral and social sciences. Though there is a considerable amount of research focused on how psychological characteristics influence entrepreneurial motivation (see Gorgievski & Stephan, 2016), researchers have not investigated the psychology of attitudes about entrepreneurs. National surveys indicate that Americans generally value entrepreneurs. For instance, a 2017 survey found that 75% of U.S. adults believe entrepreneurs receive high status in society and positive media attention (Lange et al., 2017). Research shows that entrepreneurs positively contribute to society in a number of ways such as job creation, economic growth, and innovations (Van Praag & Versloot, 2008), all of which have the potential to increase wellbeing for consumers. Based on a motivational approach to existential wellbeing that positions meaning in life as a self-regulatory and motivational resource that contributes to individual and societal flourishing by inspiring an agentic mindset (Routledge & FioRito, 2021), we tested and found support for a model linking meaning in life to positive attitudes about the importance of entrepreneurs to society via existential agency.

Our findings have implications for research on psychological wellbeing, entrepreneurship, and consumer satisfaction. As previously noted, much of the existing theory and research treats wellbeing as an outcome variable, not a predictor variable. However, there is a more recent and growing body of research specifically focused on existential wellbeing as a motivational resource. The current research further supports this view that meaning in life has motivational power. The present research is novel, but also preliminary, and future research is needed to more broadly consider how psychological wellbeing might inspire the types of attitudes and ultimately behaviors that support the type of vibrant and healthy economy that leads to greater consumer satisfaction, life satisfaction, and societal flourishing.

Though the present research focused on attitudes about entrepreneurs, it also has implications for entrepreneurial motivation and the institutional environment affecting entrepreneurs. Cultural messages and institutions that promote meaning in life and existential agency may help promote a culture that values and encourages entrepreneurship. That is, if

individuals view entrepreneurship as highly valued within their culture and believe that entrepreneurs play a significant role in solving major societal challenges and increasing societal wellbeing and flourishing, they may be more inclined to pursue entrepreneurship themselves. Moreover, a culture that values entrepreneurship is also likely to create and shape institutions in ways that allow entrepreneurs to flourish (e.g. by ensuring a fair and independent judicial system).

LIMITATIONS

Our research also has a number of limitations. One important limitation is that our sample included only adults in the United States. Some variables that drive entrepreneurship may differ by country and factors that vary across countries (e.g. Friedman & Aziz, 2012; Williams, 2008; Terjesen, 2018). Thus, future research should consider how our findings translate to other countries. Since meaning in life is considered a fundamental psychological need across cultures (see Hicks & Routledge, 2013), we suspect that our basic findings would be similar in other countries. However, additional research is needed to examine how meaning in life connects to attitudes about entrepreneurs in different countries. In addition, even though our study controls for a range of variables and, critically, builds on previous laboratory experimental research demonstrating that meaning in life increases agency and related outcomes, our study is correlational in nature. Since the current study provides initial support for a model linking meaning to attitudes about entrepreneurship via existential agency, future studies should test these relationships experimentally. Our study is the first to explore the impact of existential wellbeing on how people view the role of entrepreneurs in society and thus provides a critical first step towards a broader research program that examines the motivational power of psychological wellbeing.

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LIST OF MATERIALS

(Presence and Search for Meaning)

Instructions: Please take a moment to think about what makes your life and existence feel important and significant to you. Respond to the following statements as truthfully and accurately as you can.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|----------------------|------------------|--------------------|----------------------------|------------------|----------------|--------------------|
| Absolutely Untrue | Mostly Untrue | Somewhat Untrue | Can't Say True or False | Somewhat True | Mostly True | Absolutely True |

I understand my life's meaning.

I am looking for something that makes my life feel meaningful.

I am always looking to find my life's purpose.

My life has a clear sense of purpose.

I have a good sense of what makes my life meaningful.

I have discovered a satisfying life purpose.

I am always searching for something that makes my life feel significant.

I am seeking a purpose or mission for my life.

My life has no clear purpose.

I am searching for meaning in my life.

(Existential Agency)

The following items concern your perceived ability to maintain a sense of meaning or purpose in life. Please respond to each statement using the scale provided.

- 1 – Strongly disagree
- 2 – Disagree
- 3 – Somewhat disagree
- 4 – Neither agree nor disagree
- 5 – Somewhat agree
- 6 – Agree
- 7 – Strongly agree

I have the ability to pursue a meaningful life.

I am confident that I can find meaning even when life gets difficult.

When life feels meaningless, I am capable of restoring a sense of meaning in life.

I don't really have control over the meaningfulness of my life.

I can handle the stressors and uncertainties that challenge the meaningfulness of life.

I have the power to make my life meaningful.

I feel helpless when it comes to figuring out how to find a meaningful life.

I am responsible for discovering my life's purpose.

(Current employment questions)

Which of the following best describes your current employment situation?

- I am currently working full-time
- I am currently working part-time
- I am currently unemployed and looking for work
- I am currently unemployed and not looking for work

(Family Social Support)

Please respond to each statement using the scale provided.

- 1 – Strongly disagree
- 2 – Disagree
- 3 – Somewhat disagree
- 4 – Neither agree nor disagree
- 5 – Somewhat agree
- 6 – Agree
- 7 – Strongly agree

I have a loving and supportive family.
I feel strongly connected to my family.
If I ever need help, I know I can count on my family.

(Friend Social Support)

Please respond to each statement using the scale provided.

- 1 – Strongly disagree
- 2 – Disagree
- 3 – Somewhat disagree
- 4 – Neither agree nor disagree
- 5 – Somewhat agree
- 6 – Agree
- 7 – Strongly agree

I have loving and supportive friends.
I feel strongly connected to my friends.
If I ever need help, I know I can count on my friends.

(Duke University Religion Index)

The following section contains 3 statements about religious belief or experience. Please indicate the extent to which each statement is true or not for you (1 = *Definitely not true*, 5 = *Definitely true of me*).

In my life, I experience the presence of the Divine (i.e., God).
My religious beliefs are what really lie behind my whole approach to life.
I try hard to carry my religion over into all other dealings in life.

(Attitudes about Entrepreneurs)

CONSUMER (NON) COMPLAINT BEHAVIOR: AN EMPIRICAL ANALYSIS OF SENIOR CONSUMERS IN GERMANY

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ABSTRACT

Since studies in the field of complaint research primarily look at the group of complainers, little is known about the group of non-complainers. For this reason, in addition to the complainers, the non-complainers should also be considered in the present study in order to help close the existing research gap. The focus of this study is the segment of older people aged 60 and over, as this group of people has received little attention in research to date. Thus, this study contributes to the emerging research field of "Economics of Population Aging." The research question is: Why do men and women aged 60 and older (not) complain in dissatisfaction situations? Data collection for the study was conducted via a representative, ad hoc, online survey in January 2020 just before COVID-19 restrictions were in place. In total, data were collected from 533 people, 229 of whom had had negative experiences when purchasing a product or service. This sample was then evaluated and analyzed. In particular, the phenomenon of "not complaining" was investigated in a data-based manner. Among other things, the study shows that certain characteristics can be attributed to senior non-complainers.

INTRODUCTION

First, the relevance of the topic is highlighted, and the scientific contribution of this study is presented. From this, the research question of this study is derived.

Relevance of the Topic and Scientific Contribution

Normally, complaints are made about products or services that do not function properly or have not been provided to the customer's satisfaction. However, little is known about whether and how older people in particular complain when they are not satisfied with a purchased product or service. Thus, the absence of complaints does not necessarily allow conclusions to be drawn about the satisfaction of older customers. Conversely, a frequent occurrence of complaints does not always indicate general dissatisfaction. For this reason, the present study aims to shed some light on this dark field and to learn more about the (non) complaint behavior of older consumers.

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During the consumerism movement of the 1970s, representatives of marketing and satisfaction research began to address the complaint behavior of customers theoretically and empirically (Hirschman 1970; Day and Landon 1977; Fornell 1976; Bearden and Oliver 1985; Singh 1990a; Brock 2009). In terms of content, this research focused primarily on customer satisfaction, retention, and orientation (Luo and Homburg 2007). In this regard, Reichheld and Sasser (1990) were able to prove, for example, the relevance of customer satisfaction in connection with customer loyalty on the entrepreneurial success of a company. The importance of customer dissatisfaction was recognized in the research soon thereafter. Possible forms of reaction which accompany dissatisfaction are, among other things, the migration of customers away from the enterprise (Bolfing 1989), negative press, via word-of-mouth (Meiners et al. 2010, Meiners et al. 2017; Bolfing 1989; Bruhn 1981) and complaining directly to the enterprise, as well as to third parties (Homburg and Fuerst 2003).

However, the scientific consideration of complainers, i.e., those customers who complain after a negative experience, does not include the group of non-complainers. Unlike complainers, this group does not express its dissatisfaction, which is why the term "the silent masses" is used (Voorhees 2006). Since most studies in the field of complaint research focus primarily on the group of complainers, little is known about the group of non-complainers (Bendapudi and Berry 1997; Voorhees 2006; Kau and Wan-Yiun Loh 2006; Richins 1987; Singh 1990a). Consequently, non-complainers are considered to be of rather low importance in the scientific literature, as well as in practice (Brock 2009). For this reason, non-complainers will be the main focus of the present study in order to shed some light on this dark field that has been neglected by science so far.

This study focuses on older people (here: men and women aged 60 and over). The focus on older people can be justified by demographic developments, collective aging, and their strong purchasing power. Whereas at the beginning of the 21st century there were only around 0.6 billion people aged 60 and over worldwide, the United Nations (UN) expects this figure to rise to over 2 billion by 2050. The proportion of people aged 60 and older will increase to 21.5% by 2050 - in 1950, the proportion was only 8.0% (Bundeszentrale für politische Bildung 2017). This age group already has above-average incomes and savings, meaning that they spend significantly more on consumer goods than younger buyer groups, they demand higher-quality products, spend more money on literature, travel more frequently, have a greater interest in financial investments, and mainly buy new and/or high-end cars (Dobbs et al. 2016). Older consumers will thus be one of the most important customer groups in the future and a key driver of corporate success in many industries (Reidl 2018). Numerous companies have already begun to restructure their business processes (e.g., by optimizing their complaint management systems) in order to meet the requirements of this important consumer group (Khan 2019).

Aim and Research Question

Against this background, the aim of this quantitatively oriented paper is to analyze the (non) complaint behavior of older consumers, using Germany as an example. In line with the subject matter, the study is based on the following research question:

Why do men and women aged 60 and older (not) complain in dissatisfaction situations?

In particular, the reasons for a (non) complaint within the target group under consideration are to be investigated. Concrete implications for the companies are derived from the answer to the research question. In this way, the present study follows the thesis of Bieri et al. (2006), according to which knowledge of the special characteristics of older consumers can be used

very productively. According to the expectations of many politicians and economists, this can open up considerable potential for economic growth and new jobs (Moschis et al. 1997).

To answer the research question posed above, the next section will first provide an overview of the current state of research. This will be followed by a description of the methodology used for data collection and analysis. The resulting findings are then presented, followed by a critical review and discussion of the results, and a conclusion.

STATE OF RESEARCH

This section provides a brief overview of the current state of research, thus demonstrating the relevance of the present study. First, the focus is on complaining behavior. Subsequently, the focus is placed on non-complaining behavior. Finally, the (non) complaining behavior of men and women aged 60 and older is examined.

Complaining Behavior

Research has produced many studies on complaint behavior in recent years. The focus has been particularly on complainers, i.e., people who have complained after a negative experience. The usual definition of customer satisfaction or customer dissatisfaction is to compare what a consumer expects and what they actually received (Oliver and Swan 1989). When consumers get what they expect, they are satisfied. When consumers do not get what they expect, expectations are not met and they become dissatisfied. Consumer Complaining Behavior (CCB) conceptualizes a set of behavioral and non-behavioral responses triggered by perceived dissatisfaction (Kolodinsky 1995; Day 1984).

The work of Hirschman 1970, Singh 1988, and Day and Landon 1977, constitute the best-known CBB theories. According to Hirschman (1970), a dissatisfied consumer has three possible options: switching to another supplier (exit), complaining (voice), and remaining loyal to the supplier (loyalty). Singh (1988) classified CCB into three categories based on who the actions are directed at within the socially affected environment: "private response actions," "third party response actions," and "voice response actions." In addition, a combination of these measures may be used (Singh 1990b). Day and Landon (1977) distinguished between private and non-private complaint action. Furthermore, within CCB, a wide variety of aspects of customer complaint behavior have been considered over the years, e.g., in terms of demographic differences, their attitude toward the complaint or the company, the degree of dissatisfaction, or the different personality traits of customers (Bearden and Oliver 1985; Singh 1990a; Tax et al. 1998; Homburg and Fuerst 2003; Homburg and Fuerst 2005; Homburg and Fuerst 2006; Brock 2009; Mittal et al. 2008; Kolodinsky 1995).

Non-Complaining Behavior

With respect to non-complainers, there are significantly fewer studies, as researchers focus particularly on the field of complainers (Kwok 2019). In addition to the term "noncomplainer," the term "non-behavioral" or "no action" is often found in the literature to describe non-complaining behavior (Day and Landon 1977; Singh 1988; Kitapci et al. 2019). Some of the reasons for not complaining are due to lack of time, inability to contact customer service, or lack of access to an appropriate complaint channel (Tronvoll 2007). Based on this, Kwok (2019) suggests that the domain of non-complaining can be divided into situational factors, personal factors, service provider and market factors, social factors, and resource factors (Kwok 2019).

Situational factors for non-complaining can include aspects such as the costs and benefits of complaining (Bolfing 1989; Huang and Li Miao 2016), the likelihood of success (Day and Landon 1977; Evanschitzky et al. 2012), the importance of the product, or the time required (Kwok 2019).

Personal factors may cause consumers not to complain despite dissatisfaction because of their demographic characteristics (Adreasen 1977; Crosier and Erdogan 2001; Grønhaug and Zaltman 1981), personality (Bolfing 1989; Gursoy et al. 2007), cultural background (Liu and McClure 2001), and personal experience (Jaccard and Jacoby 1981; Ro and Mattila 2015; Voorhees 2006).

Service provider and market factors are aspects that are directly related to the service provider and market competition. In particular, service provider factors include the reputation (Bearden and Mason 1984), reliability, and responsiveness (Bolfing 1989; Voorhees 2006; Ro and Mattila 2015; Brown and Beltramini 1989) of the service provider. Additionally, the accessibility of complaint channels provided by service providers can prevent potential customer complaints (Ro and Mattila 2015; Voorhees 2006; Tronvoll 2007).

Social factors include social pressure and input from third parties, such as friends and family, that influence the behavior of dissatisfied consumers (Voorhees 2006; Ro and Mattila 2015).

Resource factors can be skills and environmental factors that prevent customer complaints. These include lack of skills and knowledge related to complaints (Bearden and Teel 1983; Tronvoll 2007), lack of time, and lack of willingness or effort (Blodgett et al. 1993).

60+ (non) Complaining Behavior

The complaint behavior of older consumers (those men and women who are 60 years and older) has received little attention from researchers. Lee and Soberon-Ferrer (1999) showed that older people are less likely to report an unsatisfactory experience, but those who do choose the same actions as younger consumers. They found that older consumers are less likely to have an unsatisfactory purchase experience, meaning that when consumers do not get what they expect, the expectation is not met and they are dissatisfied. If they have an unsatisfactory experience, they are just as likely as younger consumers to take complaint actions. These include, for example, complaining to the vendor, to the consumer reporting agency, or recommending to friends that they not buy from the company. In addition, Lee and Soberon-Ferrer found age differences in the effects of determinants on complaint behavior. Education, attitudes toward businesses, marital status, and race/ethnicity influence older consumers' behavior, while market knowledge and attitudes toward businesses influence young consumers' behavior (Lee and Soberon-Ferrer 1999). Nimaki and Mensah (2012), among others, highlighted that older and married individuals complain significantly less than younger and single customers. They therefore recommend paying attention to socio-demographic characteristics (Nimako and Freeman Mensah 2012). Bernhardt (1981) showed that older people are more dissatisfied with services than with products. The most frequently cited problems are unavailable special offers, unsatisfactory quality of service, unsatisfactory repair, and unsatisfactory service (Bernhardt 1981). In summary, the findings indicate that older persons generally have higher levels of satisfaction than younger persons, which is expressed in a lower number of complaints (Hunt 1991).

This study builds on previous findings in an attempt to fill the gap within the research. By means of a representative, ad hoc, online survey, the reasons for not complaining among men and women aged 60 and older in Germany, the country under review, will be highlighted.

METHODOLOGY

The following section describes the data collection and the sampling method. In addition, the survey instrument is presented, and the data analysis explained.

Data Collection and Sample

The data for the study were collected in January 2020 just before COVID-19 restrictions were in place. It is based on an *ad hoc*, online survey conducted in cooperation with the German discussion forum provider, respondi. The respondi online platform operates in accordance with the guidelines of the European Society for Opinion and Market Research (ESOMAR), which underpins the quality of the research results. Membership in the respondi online panel and participation in the surveys is voluntary, and follows a double opt-in registration process. In addition, respondi AG's quality management meets the strict criteria of the internationally valid ISO 26362 standard (respondi AG 2020). The field time of the online study was six days.

The survey method was designed to be suitable for the one-off measurement of the (non) complaint behavior of older people, to capture an appropriately large and heterogeneous sample. Specifically, a sample of a total of 533 survey participants (men and women aged 60 years and older, with a wide distribution by age and gender), and an incidence rate of 95-100% within the age group considered was generated, allowing robust conclusions to be drawn regarding the above research question.

Exploratory data analysis shows that, as of the survey date, slightly more than half (54%) of the respondents are under 71 years of age, while the remainder (46%) are over 71 years of age (see Table 1). Of the respondents, 51.6% are male and 48.4% are female. The majority of respondents (54.8%) are married, while the rest (45.2%) are divorced, single, widowed, or separated. The majority of respondents (58.3%) indicated that their last professional position was employee (worker, civil servant or manager); the rest were self-employed (9.4%) or unemployed (32.3%). Almost two-thirds of the respondents (65.7%) received an income of less than 2,500 euros per month. Of the 229 people who had recently had a bad experience when buying a product or service, 69.4% complained and 30.6% did not complain.

TABLE 1: Socio-Demographic Characteristics and Complaint History

| Variable | Categories | Number | % |
|----------------------------|-----------------------|--------|------|
| Age | under 71 years | 288 | 54.0 |
| | over 71 years | 245 | 46.0 |
| Gender | male | 275 | 51.6 |
| | female | 258 | 48.4 |
| Marital status | married | 292 | 54.8 |
| | other | 241 | 45.2 |
| Last professional position | employed | 311 | 58.3 |
| | unemployed | 172 | 32.3 |
| | self-employed | 50 | 9.4 |
| Income | less than 2,500 euros | 350 | 65.7 |
| | 2,500 euros or more | 183 | 34.3 |
| Complaint history | have complained | 159 | 69.4 |
| | have not complained | 70 | 30.6 |

Survey Instrument and Evaluation

The questionnaire used was checked in advance within the target group by means of a pre-test (n=73), with regard to correct question wording, plausible sequence, and meaningful answer categories. A total of eight questions, both open and closed, were asked on various

topics (including reasons for complaints, location of complaints and customer relations). Socio-demographic data were collected at the end of the questionnaire (including age, gender, marital status, last professional position, and monthly income).

Descriptive statistics were used to analyze the data material from February to July 2020. For the analysis of the (non) complaint behavior of older people, the sample of all respondents who had recently had a bad experience when purchasing a product or service (n=229) was evaluated throughout.

RESULTS

This section presents the results of the online survey broken down into complainers and non-complainers. The SPSS statistics and analysis program was used for the evaluation (Eckstein 2016).

Sample

The sample for the results presented below are the responses of 553 men and women, aged 60 and over, who took part in an ad hoc, online survey in January 2020. In order to assign the survey participants to complainers or non-complainers, they were asked whether they had recently had a negative experience when purchasing a product or service. Complainers include those who responded with a complaint as a result of a negative experience. Non-complainers are those who took no action. A total of 229 respondents had had a negative experience purchasing a product or service within the recent past; 304 had not had a negative experience and therefore were not included in the data analysis. Finally, the survey found 159 people who had complained (complainers), and 70 who had not complained (non-complainers). The analyses conducted on the basis of the respective samples are the subject of the following sections.

Socio-demographic Characteristics and (non) Complaint Behavior

With regard to the "complainer" (n=159) and "non-complainer" (n=70) groups, a bivariate analysis was performed to identify possible correlations between (non) complaining behavior and socio-demographic characteristics. The result is shown in Table 2.

From the above-mentioned table, it can be seen that the distribution of the two groups (complainers, non-complainers) is quite similar in terms of the socio-demographic characteristics of age, gender, marital status, occupation, and income, which allows for a later comparison of the two groups.

However, the item "self-assessment" is interesting. Here, more than half of the respondents from the "Non-Complainer" group (55.7%) consider themselves to be a rather reserved person, whereas more than half of the respondents from the "Complainer" group (53.5%) attribute a less reserved behavior to themselves. This may be a first indication that (non) complaining behavior is related to the trait "reservedness."

Chi-square analysis confirms that there is a significant correlation of reserved individuals with complaining behavior, assuming a significance level of 5% ($p=0.039 < 0.05$). The item "employment" also still suggests a correlation with complaint behavior, although not quite as significantly ($p = 0.091$). In contrast, the other socio-demographic characteristics (including gender, marital status, and income) do not indicate a significant influence on complaint behavior.

Furthermore, a multivariate analysis of (non) complaint behavior was performed by adjusting the selected variables from Table 2, which is the subject of the following sections, 4.3 and 4.4. For this purpose, the approach of a logistic regression analysis was followed, since the outcome variable is dichotomous in nature (Eckstein 2016).

Analysis of the "Complainer" Group

Table 3 provides the findings from the statistical analyses for the "Complainer" group (n=159). Thus, in the column "adjusted OR (aOR)," the table shows that those under 71 complain less compared to their older peers (8.85%), men complain less often compared to women (5.60%), and married persons complain less than persons with other marital status (21.20%).

TABLE 2: Test of the Relationship Between Customer Complaints and Their Socio-Demographic Characteristics

| Variable | Complaint history (%) | | Chi-square value | p-value |
|--|-----------------------|---------------------|------------------|---------|
| | Non-Complainer (%) | Complainer (%) | | |
| Age under 71 years over 71 years | 62.9 37.1 | 60.4 39.6 | 0.126 | 0.723 |
| Gender male female | 55.7 44.3 | 56.6 43.4 | 0.016 | 0.901 |
| Marital status married other | 52.9 47.1 | 59.7 40.3 | 0.945 | 0.331 |
| Occupations unemployed salaried job independent | 31.4 52.9 15.7 | 39.6 53.5 6.9 | 4.79 | 0.091 |
| Income less than 2,500 euros 2,500 euros or more | 62.9 37.1 | 61.6 38.4 | 0.031 | 0.861 |
| Self-assessment (reserved person) fully applicable more likely to apply less true | 7.1 55.7 37.1 | 8.8 37.7 53.5 | 6.46 | 0.039 |

After adjusting for other covariates, a look at the "occupation" item yields an interesting result: Individuals who were unemployed before retirement age complain about three times more often (aOR = 3.257) than those who were self-employed before retirement age. The situation is similar for retirees who were employed in their last job compared with the former self-employed; here the factor is around 2.5 (aOR = 2.607).

This is an interesting finding in that occupation is representative of social capital, which is also related to education to some extent. If one accepts this correlation, then it can be stated that people with a lower level of education complain significantly more often than those with a higher level of education.

The situation is different regarding level of income. Here we see in table 3 for the item "income," that the level of income has hardly any noticeable influence on whether or not someone complains (aOR = 1.000 versus aOR = 1.094).

A look at the last item in Table 3 reveals information about the characteristic "self-assessment" regarding complaining behavior. Those who rate themselves as less reserved complain the most (aOR = 1.000 versus aOR = 0.445 and aOR = 0.726).

**TABLE 3: Multivariate Analysis:
Logistic Regression with Respect to Complainer**

| Variable | Estimate | Standard error | p-value | Adjusted Odds Ratios (AoR) | 95% CI of AoR | |
|--|------------------|----------------|----------------|------------------------------|----------------|----------------|
| | | | | | Lower | Upper |
| Age under 71 years over 71 years (ref) | -0.089 | 0.312 | 0.776 | 0.915 1.000 | 0.496 | 1.687 |
| Gender male female (ref) | -0.062 | 0.311 | 0.842 | 0.940 1.000 | 0.511 | 1.727 |
| Marital status married other (ref) | -0.239 | 0.337 | 0.479 | 0.788 1.000 | 0.407 | 1.525 |
| Occupation unemployed salaried job independent (ref) | 1.181 0.958 | 0.512 0.492 | 0.021 0.051 | 3.257*** 2.607** 1.000 | 1.194 0.994 | 8.887 6.839 |
| Income less than 2,500 euros 2,500 euro or more (ref) | 0.090 | 0.346 | 0.796 | 1.094 1.000 | 0.555 | 2.155 |
| Self-assessment (reserved person) fully applicable more likely to apply less true (ref) | -0.320 -0.810 | 0.590 0.314 | 0.587 0.010 | 0.726 0.445*** 1.000 | 0.229 0.240 | 2.306 0.824 |

Note: Significance level **5% and ***1% level.

In summary, the first intermediate conclusion is that someone tends to complain more easily if they are less reserved by trait and second, they were either unemployed or employed before retirement compared to the self-employed.

Analysis of the "Non-Complainer" Group

Based on the results from Table 2 (see section 4.2), a multivariate analysis was performed for the group of "non-complainers" (n=70). The results are summarized in Table 4.

Thus, it can be seen from Table 4 that among the non-complainers, the proportion of those under 71 is higher (9.3%) compared to their older peers, the proportion of women is lower compared to men (6.4%), and the proportion of married persons is lower than for persons with other marital status (27.0%).

After adjusting for other covariates, a look at the "occupation" item yields an interesting result, as it did for the "complainers" in section 4.3: among those who do not complain, the proportion of individuals who were unemployed or employed before retirement is significantly lower compared to those who were self-employed before retirement (aOR = 0.307 and aOR =

0.384, respectively). Furthermore, as already shown in section 4.3, the level of income is not a decisive factor in whether someone does not complain.

A look at the last item in the table reveals information about the characteristic "self-assessment" regarding not complaining. Here we see that someone who does not complain tends to be reserved (aOR = 1.000 versus aOR = 1.377 and aOR = 2.248).

In summary, then, someone tends to be "non-complaining" if they are more reserved by trait and were self-employed prior to retirement.

**Table 4: Multivariate Analysis:
Logistic Regression with Respect to Complainer**

| Variable | Estimate | Standard error | p-value | Adjusted Odds Ratios (AoR) | 95% CI of AoR | |
|---|------------------|----------------|----------------|----------------------------|----------------|----------------|
| | | | | | Lower | Upper |
| Age under 71 years over 71 years (ref) | 0.089 | 0.312 | 0.778 | 1.093 1.00 | 0.593 | 2.016 |
| Gender male female (ref) | 0.062 | 0.311 | 0.842 | 1.064 1.00 | 0.579 | 1.956 |
| Marital status married other (ref) | 0.239 | 0.337 | 0.479 | 1.270 1.00 | 0.656 | 2.458 |
| Occupation unemployed salaried job independent (ref) | -1.181 -0.958 | 0.512 0.492 | 0.021 0.050 | 0.307** 0.384* 1.00 | 0.113 0.146 | 0.838 1.006 |
| Income less than 2,500 euros 2,500 euro or more (ref) | -0.090 | 0.346 | 0.796 | 0.914 1.00 | 0.464 | 1.801 |
| Self-assessment (reserved person) fully applicable more likely to apply less true (ref) | 0.320 0.810 | 0.590 0.314 | 0.587 0.010 | 1.377 2.248*** 1.00 | 0.434 1.214 | 4.372 4.164 |

Note: Significance level **5% and ***1% level.

Based on the online survey conducted, was possible to investigate the phenomenon of "non-complaining" in a data-based manner. The study shows that certain characteristics can be attributed to the "non-complainer." However, this does not answer why someone does *not* complain. This is the subject of the following section.

Reasons for Not Complaining

With regard to voice response measures, reasons for not complaining could also be identified among non-complainers (n=70). These reasons are summarized in Table 5 (multiple responses were possible). Most respondents indicated that the reason for not complaining was that the problem was not serious enough (21%), not important enough (15%), or that the time involved in a complaint seemed too high (14%). However, uncertainty about where to complain

(2%), and the cost of a complaint (1%), do not appear to have been significant reasons for not complaining.

When answering an open question, other reasons for not complaining were also given. Here, survey participants indicated, among other things, that they had repaired a defective product themselves, or that they had waited in the hope that there would be an improvement in the functionality of the product.

TABLE 5: Reasons for not Complaining

| Reasons for not-complaining | Frequency [%] |
|---|----------------------|
| The problem was not serious enough | 21% |
| It was not important enough | 15% |
| The time required for a complaint was too high | 14% |
| The functionality of the product was not affected | 10% |
| Experience shows that complaints are unsuccessful | 7% |
| There was uncertainty about the complaint process | 7% |
| The company was located abroad | 6% |
| The legal requirements for a complaint were not known | 4% |
| Complaints only bring trouble | 2% |
| The company could not be reached by telephone | 2% |
| There was uncertainty about the location of the complaint | 2% |
| The costs of a complaint were too high | 1% |
| Other reasons | 10% |

Despite the absence of a complaint, almost one in four people (26.1%) said they informed family members and friends about the negative experience, and one in eleven people (8.9%) even warned their friends and relatives about the company in question. This result has already been documented in Richin’s 1983 study. Thus, earlier research is consistent with the current research. Furthermore, 7% of the respondents stated that they had switched to another company as a result of their negative experience with the company.

Sector Ranking

During the online survey, participants were also asked to indicate which industry they had had a particularly bad experience with. The results presented below are based on the responses of men and women, aged 60 and over, who have recently had a bad experience when buying a product or service (n=229). Based on the responses, it was possible to create an industry complaint ranking (see Figure 1), with multiple responses possible.

According to the responses of the survey participants, the retail sector (20%) ranked first among the industries complained about, followed by Internet providers (18%) and the telephone/mobile sector (16%). In contrast, respondents complained significantly less about the hotel industry and airlines (2% each). This can be interpreted by the fact that hotels and flights are significantly less in demand by respondents than fast moving consumer goods, for example, and the likelihood of having negative experiences with companies from these sectors is therefore significantly lower.

CRITICAL VIEW AND DISCUSSION

In this section, the significance of the present study is critically examined on the basis of the representativeness of the results and the three quality criteria of objectivity, reliability, and validity. This is followed by a discussion of selected results.

Representativeness and Quality Criteria

The sample on which this study is based corresponds in its composition and in the structure of the relevant characteristics to the basic population (men and women aged 60 and over in Germany), and can therefore be regarded as representative in principle. Due to the large sample size (n=533), it was possible to include all characteristics of the population in the sample. However, it cannot be ruled out to 100 percent that the method used (survey via an online platform) led to a non-representative sample. Distortions could have resulted from convenience sampling, for example. In this method, it is not possible to specify the probability with which a particular person will end up in the sample. Consequently, convenience sampling is not suitable for deriving inferential statistics. For example, online surveys may result in an over-representation of participants who use the Internet and who are also interested and healthy enough to register themselves for such surveys, resulting in a non-probability sample. However, older people who do not use the Internet were not additionally surveyed by mail, telephone or in person to compensate for this. However, this limitation can be countered by the fact that 79% of 60- to 69-year-olds and 45% of over 70-year-olds in Germany are now online (Initiative D21 e. V. 2019), which is why the authors of the study consider the assumption of ignorable dropouts to be fulfilled—with marginal restrictions.

Figure 1: Sectors with the Worst Complaining Experiences (n=229)



In addition, the quality criteria of reliability, validity, and objectivity can be considered—with marginal restrictions—to have been met. Thus, the study actually measured what it was

intended to measure and thus provided credible results. Moreover, the data were collected and analyzed in such a way that consistent results were obtained. Finally, the researchers themselves did not exert any influence on the research process. To meet the three quality criteria, among other things, an extensive pre-test (n=73) was conducted prior to the main survey, data were collected using a standardized questionnaire, and results were transparently presented and analyzed. Marginal limitations include, but are not limited to, a personal component (the study is based on retrospective reports of respondents' experiences - thus, recall bias may have influenced the results), a temporal component (the study is based on a one-time snapshot with a limited period of observation), and a procedural component (in the case of commercial online survey groups, the research team is not aware of every detail of the data collection process). Despite these marginal limitations, scientifically robust statements can be made about the target research question raised here.

Discussion

The results presented here focus on the (non) complaining behavior of men and women, aged 60 and older, in Germany. First, more people complain (69.4%) than do not complain (30.6%). If the socio-demographic characteristics of the sample are also taken into account, it becomes apparent that men complain less often than women. This finding is surprising in that Kolodinsky (1995) identified more female complainants in his study. Meffert and Bruhn (1999), on the other hand, again identified more male complainants in their study.

Individuals under 71 years of age are less likely to complain than those over 71. The opposite observation in the non-complainer analysis highlighted a higher non-complaining rate among those under 71. This also represents an interesting finding. According to the study by Lentz (2008), clear differences can be seen depending on the age of the respondent. In general, it can be said that the intention to complain decreases with increasing age (Lentz 2008). Conversely, this means that younger subjects have a significantly higher intention to complain than older subjects.

There are also indicators in the CCB framework that suggest that younger and older consumers have different views on what actions should be taken after a negative experience. For example, McColl-Kennedy et al. (2003), who include age as a covariate in their study, conclude that it has a significant impact on behavior after a complaint is made. This finding is consistent with the research of Richard and Michell Adrian (1995), who assume that different age groups prefer different attempts at redress. These findings are also consistent with the results of other studies that also suggest that age has an impact on post-complaint behavior (Kolodinsky 1993; Lewis and Spyropoulos 2001).

In the future, a generally stronger and more systematic reference to the aging society should be made within CCB research, so that greater transparency and new insights are created, in an area that concerns not only economics, but also many other fields. Demographic change is pervasive, so systematic knowledge in all areas within aging research will be of great importance.

LIMITATIONS AND FUTURE DIRECTIONS

This paper has shown that the topic of "Senior Consumer (non) Complaint Behavior" has not received sufficient attention from academia. This is particularly evident from the current state of research presented within this paper. Therefore, the focus of the present study was to shed some light on this dark field that has been neglected by science so far. The question guiding the research was: Why do men and women aged 60 and older (not) complain in dissatisfaction situations? However, it must be emphasized, that the data on this study were collected shortly before the large-scale outbreak of the COVID-19 pandemic. Thus, possible changes in (non) complaint behavior due to COVID-19 did not play a role in this study. In

addition, it must be emphasized that, due to the sampling procedure used, no inferential statistical (generalized estimation) statements can be derived. Possible problems may arise due to biases in the direction of the selection mechanism and self-selection. In addition, due to the research practice and the study design, it was not possible to obtain a comprehensive picture of the (non) complaint behavior of older consumers. Thus, the results are primarily based on quantitative data from an empirical online survey, which does not meet the demand for "method pluralism" or the mixed-methods approach raised in the Anglo-American discourse. The combination of qualitative and quantitative methods is therefore reserved for further studies in the research field of "Consumer (non) Complaint Behavior." Here, the following research questions, among others, should be addressed: Has (non) complaint behavior changed as a result of the COVID-19 pandemic? If so, in which areas (e.g., hotels, travel, airlines)? Could agreeableness be an underlying factor in (non) complaint behavior? What role does social media play in (non) complaint behavior? Do older people complain less often because they are not social media savvy, or does social media actually make it easier to complain?

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NEGATIVE WORD OF MOUTH: A SYSTEMATIC REVIEW AND RESEARCH AGENDA

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ABSTRACT

Inevitably, service failures occur. This often leads to negative word-of-mouth (NWOM). The increasing use of the internet and social media to express dissatisfaction has expanded and changed how NWOM is generated, received, and acted upon by consumers. Firm reactions and responses have also evolved. We review the evolution of the NWOM literature, suggest conceptual refinements and present an aggregative framework of antecedents. We also propose a taxonomy of NWOM behaviors. This study synthesizes current NWOM research and provides directions for future research.

INTRODUCTION

The influence of consumer word-of-mouth (WOM) on firms has now been studied for over 40 years (e.g., Engel, Kegerreis, and Blackwell 1969, Gilly and Gelb 1982). It has long been known that consumer evaluations of the consumption experience (Fornell, Rust, and Dekimpe 2010; Yeung and Ennew 2000) and their subsequent behavior contributes to the present and future success of businesses (Luo 2007). While firms receive compliments in response to positive consumption experiences, consumers' negative responses to others and the firm can be prevalent and a prescient concern.

Negative word-of-mouth (NWOM), in particular, has been widely studied because of its frequency (Goodman and Newman 2003) and its effect on firms (McQuilken and Robertson 2013; Williams and Buttle 2014). Traditionally conceptualized as limited to one's immediate social circle, NWOM now encompasses a broader, even unrestricted, public audience (Balaji, Khong, and Chong 2016). The impact of WOM in the digital age has increased in importance. Communication has expanded beyond interpersonal channels to electronic word-of-mouth (eWOM) via direct communication with a firm or friends to virtually anyone via user-generated content (UGC; Naylor 2016).

Despite NWOM's widespread occurrence and sustained importance, there are ambiguities and inconsistencies in the definition, conceptualization, and measurement of NWOM. While some conceptualize it as a substitute or successor to firm-directed voicing, a dominant subset of consumer research recognizes NWOM as a distinct behavior (Lang and Hyde 2013; Naylor 2016). The evolution of NWOM transmission channels contributes to these issues. Our goal with this research is to synthesize the current understanding of NWOM. We provide a comprehensive review of NWOM behavior separate from the broader WOM phenomenon. Understanding what, how, and when consumers engage in NWOM is essential to a refined understanding and future research. This paper provides:

- An analysis of NWOM research and how it has evolved.
- Definitional and conceptual issues relating to NWOM, culminating in a refinement of the current level of understanding.
- Development of a conceptual framework synthesizing the antecedents, moderators, mediators, and consequences of NWOM.
- A taxonomy of NWOM.

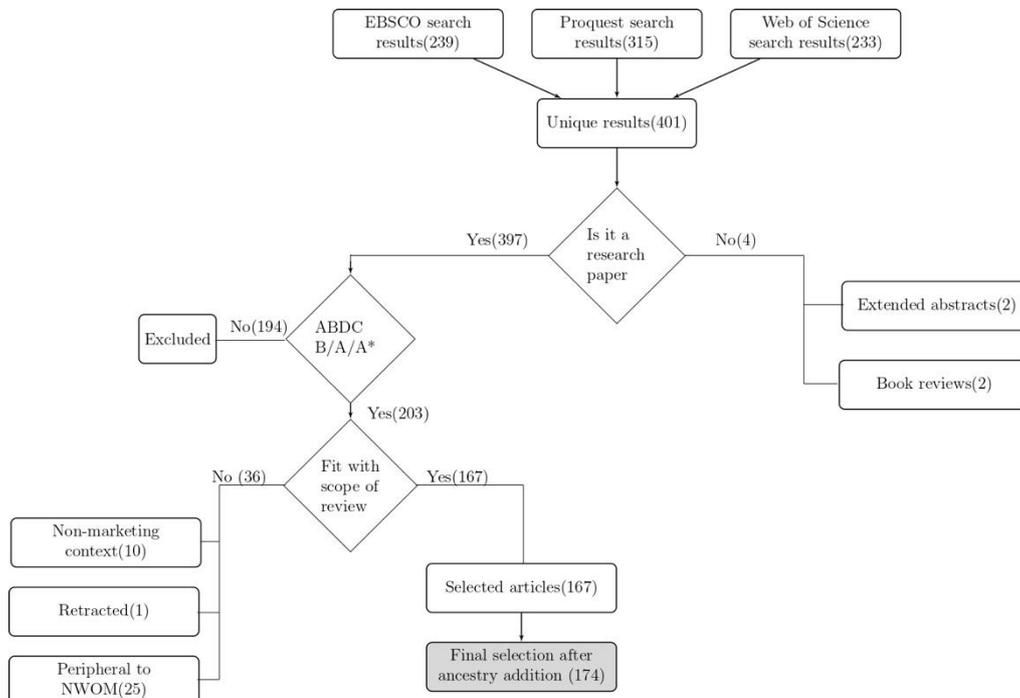
DATA COLLECTION

Process

We followed a multi-stage process to identify a comprehensive and relevant list of NWOM research literature. In the first stage (Figure 1), we searched relevant databases (ABI-INFORM/Proquest, EBSCO, and Web of Science). We limited our search to English language articles (abstract, title, and keyword sections) published in peer-reviewed journals using the search phrases *NWOM* and *'Negative word of mouth.'* We acknowledge that our search might have missed articles using alternative terminology such as reviews and e-WOM/eWOM. We discovered the alternative terms constrain the research to a subset of NWOM. Further, similar concepts underlie both these streams.

In the second step, we focused our search on journals that were B or better ranked in the Australian Business Deans' Council (ABDC) 2016 ranking. To ensure we did not miss impactful articles, we also searched on Google Scholar for articles with high citation counts. We did not apply a temporal filter as our aim was to extract a comprehensive picture of the NWOM domain. We evaluated the articles by manually perusing the articles to assess scope and audience (Figure 1). Finally, we utilized an ancestry approach. We added seven related articles, including a significant meta-analysis paper, by checking the references to arrive at our final data set. Appendix 1 provides a complete listing of the articles included in this review.

FIGURE 1: Article Selection Process



Retracted refers to one article retracted by the journal but still available in search

NWOM Research Trends

We observed several trends in the geographic range, research method, and scope of NWOM research over the years. The country of origin of NWOM research has expanded each decade in line with the evolution of broader complaining behavior research. Early articles in the 1980s were almost exclusively from the USA. The geographic origin of papers has expanded over time. Notably, there has been a shift towards measuring NWOM intentions in the last decade. Another change is the increased use of experimental scenario-based studies, especially in the hospitality industry. Most studies have been quantitative, only five papers used qualitative methods, e.g., content analysis, case studies. ANOVA and regression were early preferred methods. More recent articles utilized Structural Equation Modeling (SEM). Interestingly, we found very few conceptual NWOM studies. Only seven of the 174 reviewed articles are purely conceptual. About 50% of the articles focus on multiple complaining behaviors, which include NWOM (n=83). These studies conceptualize NWOM as a post-purchase action. Other assessed behaviors include repurchase intent, satisfaction, loyalty, or positive word-of-mouth (PWOM). A similar proportion of studies focused exclusively on NWOM (n=91).

The growth of social media accounts for the recent trend of the inclusion of Public NWOM. NWOM is publicly available online with an unrestricted audience (Boote 1998). It is not limited to the complainer's social network.

CONCEPTUALIZATION AND DEFINITIONAL ISSUES

There have been varying conceptualizations of word-of-mouth through the years. For example, Berger (2014) explored the motivations behind word of mouth. His work identifies five functions that serve an individual's self-interest while exhibiting WOM behavior. King, Racherla, and Bush (2014) use a sender/receiver and antecedent/consequent framework to review the extant literature on online word-of-mouth. In another review of online WOM, focusing on consumer reviews, Chen and Xie (2008) take a relatively applied view and suggest actionable recommendations for seller firms under different product/market conditions. De Matos and Rossi (2008) undertake a meta-analysis of WOM antecedents and moderators. They establish that satisfaction, loyalty, quality, commitment, trust, and perceived value significantly affect WOM activity. Rather than justifying NWOM and positive word of mouth (PWOM) as separate constructs, they view WOM valence as a moderator of WOM activity. Although Williams and Buttle (2014) exclusively focus on NWOM and investigate how managers respond to it, their work does not explore the antecedents and consequences of NWOM. Accordingly, this study, with its focus on NWOM, aims to contribute via a review of an important research domain.

NWOM is conceptualized as negatively valenced WOM (word-of-mouth) aimed at prospective consumer(s), both inside one's social circle, as well as society-at-large (Arndt 1967; Westbrook 1987). Consumer complaint behavior (CCB) research recognizes NWOM as a possible complaining response (Singh 1990b). The CCB research conceptualizes NWOM as:

- 1) An exclusive dependent construct (Cheng, Lam, and Hsu 2006).
- 2) A complaining behavior (Singh and Pandya 1991).
- 3) A post-complaint phenomenon such as
 - repurchase intent (Blodgett, Granbois, and Walters 1993),
 - loyalty (Kau and Wan-Yiun Loh 2006),
 - trust (Kau and Wan-Yiun Loh 2006),
 - positive word-of-mouth (Ranaweera and Menon 2013).

Primary versus Secondary.

NWOM has been conceptualized as both a primary complaining response (Richins 1983; Singh 1988) and a secondary retaliatory/vindictive response (Bavik and Bavik 2015; Kähr, Nyffenegger, Krohmer, and Hoyer 2016). Other primary complaining actions include direct complaining to the firm (*Voice*), leaving the firm (*Exit*), and complaining to third parties (*Third party actions*). Retaliatory responses occur after direct complaining. Consumers tend to exhibit secondary complaining behaviors, including NWOM, when the firm's efforts are perceived as unsatisfactory. Other secondary responses include public complaining (Gelbrich 2010), third-party complaining (Johnson, Matear, and Thomson 2010), boycott (Kähr et al. 2016), brand sabotage (Kähr et al. 2016), retaliation (Bavik and Bavik 2015; Grégoire and Fisher 2008), revenge (McColl-Kennedy, Patterson, Smith, and Brady 2009), and other dysfunctional consumer behaviors such as stealing (Huefner and Hunt 2000).

B2B versus B2C.

Studies encompass both business-to-business (B2B; Ferguson and Johnston 2011; Wang and Huff 2007) and business-to-consumer (B2C; Luo 2007; Parthasarathy and Forlani 2010) contexts. There are few conceptual differences, except for the degree of post-redress complaining behaviors. Within the B2B literature, we did not encounter studies which conceptualize and measure post-redress NWOM or related behaviors. A B2B exchange is primarily contractual. Decision-making is presumed to be more objective and utilitarian in nature (Leek and Christodoulides 2011). Any unresolved issue between the business partners more likely leads to third party action, which would be resolved either through litigation or alternate dispute resolution mechanisms like mediation and arbitration (Lumineau and Malhotra 2011).

Cause of Dissatisfaction

Conceptualization also varies by the cause of the dissatisfaction. NWOM can follow an individual product or service failure. It can also result from a broad corporate-level action perceived negatively by the consumer. Operating failures may affect a single consumer, e.g., a product malfunction, or many consumers, e.g., a telecom network downtime. Corporate-level action complaints (Grappi, Romani, and Bagozzi 2013; Xie, Bagozzi, and Grønhaug 2015) can be due to a disliked brand extension (Sjödin 2008), environmental double standards (Leonidou and Skarmeas 2017), or corporate social irresponsibility (Antonetti and Maklan 2018). Additionally, consumers also engage in NWOM against out-group brands (Hickman and Ward 2013). In this unique case, it is not necessarily a consequence of dissatisfaction with a firm's product or service.

Satisfaction - NWOM Link

Satisfaction typically reduces NWOM. As an exception, Parthasarathy and Forlani (2010) show that attribute evaluation can directly drive NWOM independent of satisfaction. A comprehensive evaluation may be satisfactory while customers engage in NWOM about an attribute. This result was found with innovation which may not be generalizable to all products and services. Naylor (1999) found, in an upscale resort context, some consumers engaged in NWOM despite high reported levels of satisfaction. The result was limited to consumers who placed a low value on symbolic/prestige benefits (exclusivity, celebrity presence).

Spreading NWOM.

NWOM was originally conceptualized as a person-to-person oral communication (Arndt 1967), then public (Naylor and Kleiser 2000), and later as an internet-mediated

exchange (Hennig-Thurau, Gwinner, Walsh, and Gremler 2004). Measurement items incorporating internet or social media communication have been limited to studies examining public WOM (Balaji et al. 2016). Few studies measure both sources of NWOM (McQuilken and Robertson 2013). Instead of viewing NWOM and public NWOM as separate sets, we treat public NWOM as a subset of NWOM.

NWOM DEFINITION

One-third of the NWOM studies (n=64) did not define NWOM (e.g., Jayasimha and Billore 2016; Singh and Pandya 1991) or, alternatively, provided an obscure definition. This could be a result of the relatively universal and intuitive nature of NWOM. Established scales are used for empirical validation (wherever applicable), providing an intrinsic meaning of the construct. Table 1 lists the commonly used definitions of NWOM.

Incorporating prior studies definitions and the evolving communication landscape, we define NWOM as

“Communication by a potential, actual, or former customer, reflecting dissatisfaction with a firm, brand, attribute, product, or service, aimed at one’s social circle (private) or a wider community (public), via interpersonal or remote channels.”

NWOM can occur both offline and online and be either private (restricted) or public. For example, posting on one’s social media page (e.g., Facebook), which is accessible to a restricted social circle, constitutes private remote NWOM. In contrast, posting a negative message about a firm on an unrestricted online platform (e.g., a complaint website, a chat group, a discussion forum, a blog, or a self-created complaint website) is public remote NWOM. Drawing from the CCB literature, posting the same message on the target firm’s Facebook page could be seen as a form of voice (remote). Similarly, posting negative experiences on a neutral third-party review or complaint website is a remote third-party complaint.

TABLE 1: Extant Definitions of Word-Of-Mouth

| Definition | Scope | Targeted at | Mode | Valence | Specific construct |
|--|---|---|----------------------------------|-------------------------------|--------------------|
| <i>“Oral, person-to-person communication between a perceived non-commercial communicator and receiver concerning a brand, product, or a service offered for sale” (Arndt 1967)</i> | Includes corporate failure by mentioning brand | Any non-commercial receiver | Limited to oral person-to-person | Applies to both PWOM and NWOM | WOM |
| <i>“Interpersonal communication among consumers concerning a marketing organization or product which denigrates the object of communication” (Richins 1984)</i> | Includes corporate failure by mentioning organization | Limited to consumers | Person-to-person, any mode | Negative | NWOM |
| <i>“Informal communications directed at other consumers about the ownership, usage or characteristics of particular goods and services and/or their sellers” (Westbrook 1987)</i> | Includes corporate failure by mentioning sellers | Limited to consumers | Informal- any mode | Both PWOM and NWOM | WOM |
| <i>“Expression of dissatisfaction, directed towards friends and relatives” (Singh 1988)</i> | Broad, can potentially include both individual and corporate failures | A restricted social circle may be non-consumers | Broad, unspecified | Negative by implication | NWOM |
| <i>“Telling other people about one’s dissatisfaction” (Blodgett, Hill, and Tax 1997)</i> | Broad | Unrestricted, potentially includes anyone | Broad, unspecified | Negative by implication | NWOM |

| | | | | | |
|---|---|--|--------------------|--------------------|-------|
| <i>"Informal communications between private parties concerning evaluation of goods and services" (Anderson 1998)</i> | Dissatisfaction against corporate or brand level actions not included | Broad- any private parties | Informal- any mode | Both PWOM and NWOM | NWOM |
| <i>"Telling friends and other members of one's social network about a negative service encounter and advising them not to acquire the services of the organization involved" (Bougie, Pieters, and Zeelenberg 2003)</i> | Restricted to operating failures | Friends and social network members | Broad, unspecified | Negative | NWOM |
| <i>"Any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the internet" (Hennig-Tharau, Gwinner, Walsh, and Gremler 2004)</i> | Includes corporate crisis by mentioning company | Broad- people and institutions | Internet | Both PWOM and NWOM | e-WOM |
| <i>"Customer's efforts to share his or her negative experience with, and to denigrate a service firm to friends and family" (Gregoire and Fisher 2006)</i> | Restricted to operating failures | Friends and family | Broad, unspecified | Negative | NWOM |
| <i>"Promulgation of distaste, disapproval, or disparagement concerning irresponsible actions by corporations" (Grappi, Romani, and Bagozzi 2013)</i> | Restricted to corporate irresponsibility | Broad, unspecified | Broad, unspecified | Negative | NWOM |
| <i>"A customer's effort to share negative or unfavourable feedback or opinions with friends, family, and others" (Balaji et al. 2016)</i> | Broad | Unrestricted by mentioning others | Broad, unspecified | Negative | NWOM |
| <i>"Negative communication directed at individuals or organizations that are internal to the consumer's social circle and not directly involved in the dissatisfactory experience (e.g., friends and relatives)" (Schoeffler, Wappling, Heirati, and Blut 2019)</i> | Broad | Restricted: internal to consumer's social circle | Broad, unspecified | Negative | NWOM |

CONCEPTUAL FRAMEWORK

Figure 1B illustrates our conceptual framework. Dissatisfaction is treated as a necessary condition for NWOM or any complaining behavior. Table Two lists NWOM antecedents. The list includes other potential complaining behaviors apart from NWOM. These complaining behaviors may act as a supplement or substitute for NWOM (Halstead 2002).

Redress is only relevant for consumers whose dissatisfaction is known to the firm. Although direct complaining has traditionally determined the redress boundary, consumers' public NWOM on non-third platforms like blogs and unrestricted personal social media pages can also inform a proactive firm of dissatisfaction.

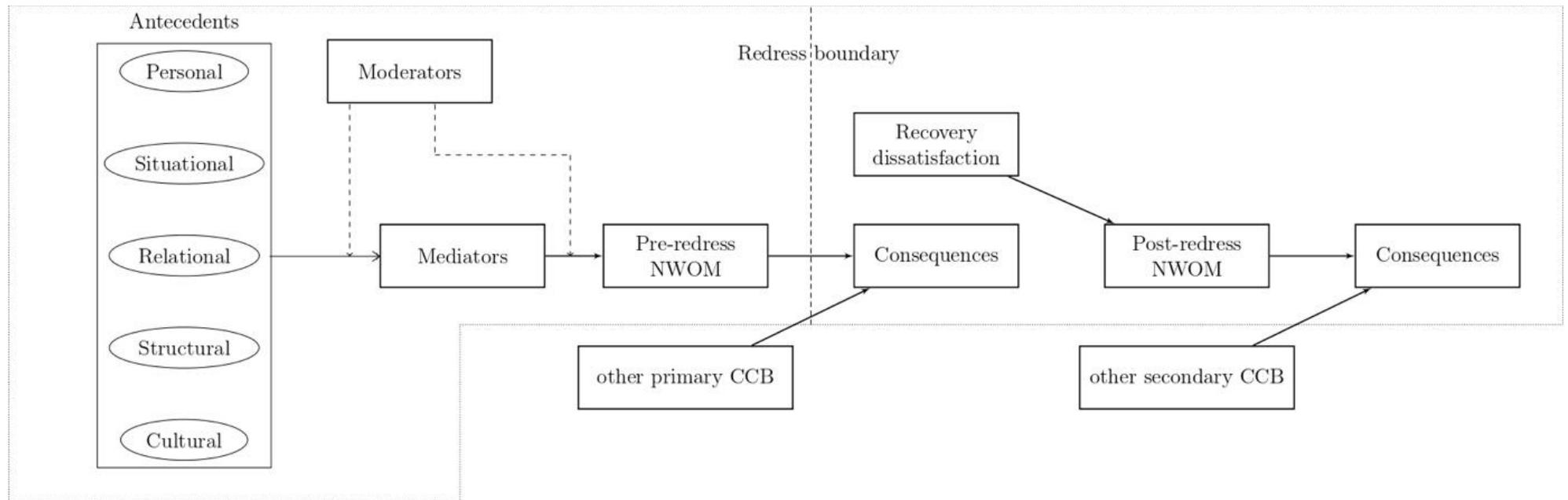
In that case, a firm can choose to contact the consumer and attempt recovery. Approaching the consumer is an escalation of commitment that is not without risk. Rather than performing a botched recovery and risking a consumer's secondary complaining, firms could choose to remain silent and use the consumer NWOM feedback to improve their internal processes.

Moderators and Mediators

Prior NWOM research has attempted to identify variations in NWOM incidence and impact across product and service categories.

Involvement. At a broad level, the *involvement* construct captures this disparity. One view of involvement stresses the role of product or service characteristics. Accordingly, Zaichkowsky (1987) views it as an object's perceived relevance determined by an individual's needs, values, and preferences. Dichter (1966) gave four dimensions of involvement, with product involvement being the foremost. Richins (1984) suggested perceived risk as another lens through which product involvement can be viewed. According to this view, NWOM incidence is positively linked to the importance of a product category, reflected in its overall cost and risk perceptions. In contrast, Blodgett, Wakefield, and Barnes (1995) fail to find evidence for any links between product importance and NWOM.

FIGURE 1B: Conceptual framework of NWOM



Self-relevance forms another dimension of a consumer's involvement. Consumers exhibit higher WOM (both positive and negative valence), irrespective of category-levels, cost, or risk perception, for brands that help define the consumer's perceived or the ideal *self* (Chung and Darke 2006; Keiningham, Rust, Lariviere, Aksoy, and Williams 2018). Echoing this view, Johnson et al. (2010) argue that self-relevance acts as a double-edged sword by not just enhancing loyalty and repurchase but also by inducing anti-brand actions. However, even in the self-dispositional realm, conflicting evidence is provided by Wilson, Giebelhausen, and Brady (2017) in their work on the impact of NWOM on a brand's closely connected consumers.

Products/Services

Differences across product versus service contexts have also been examined. Lomax and East (2016), in their work on four durable products, show that the perception that other consumers need advice determines NWOM incidence. In contrast, research in service contexts reveals that dissatisfaction predominantly triggers NWOM (East, Uncles, Romaniuk, and Riley 2015). Similarly, De Matos and Rossi (2008) argue that the relationships between satisfaction or loyalty and NWOM vary across products and services. However, their meta-analysis fails to find supporting evidence. A review of prior studies finds inconclusive evidence for the links between involvement or offer (product or service) characteristics and NWOM.

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There are several additional factors which could moderate the relationship between antecedents and NWOM. We aggregate these moderating variables using the same synthesis framework developed for NWOM antecedents (Table/Figures 3A, 3B, 3C); there has been little research exploring the relational, structural, and cultural moderators of NWOM. As expected, several factors are common to both antecedents and moderating variables

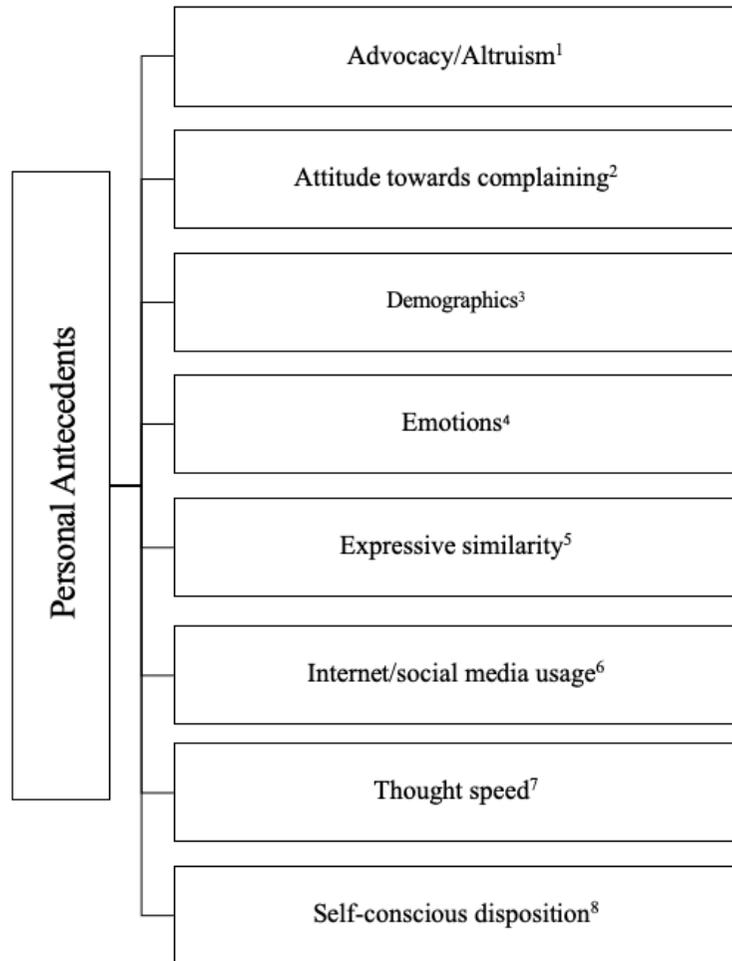
Mediators. There is a conceptual dichotomy to be incorporated into the analysis. The association between antecedents and pre-redress NWOM is mediated by one set of variables, whereas characteristics of the recovery effort explain post-redress NWOM. See Table/Figures 4A and 4B.

We identified a large number of NWOM moderating and mediating variables. Next, we assessed their relative importance to NWOM by using the number of research studies that incorporate them as a proxy indicator. Emotions emerge as a dominant explanation of the dissatisfaction-NWOM relationship. Several other factors, such as failure severity, cultural orientation, etc., also play a role as either NWOM antecedents or NWOM moderators.

NWOM consequences

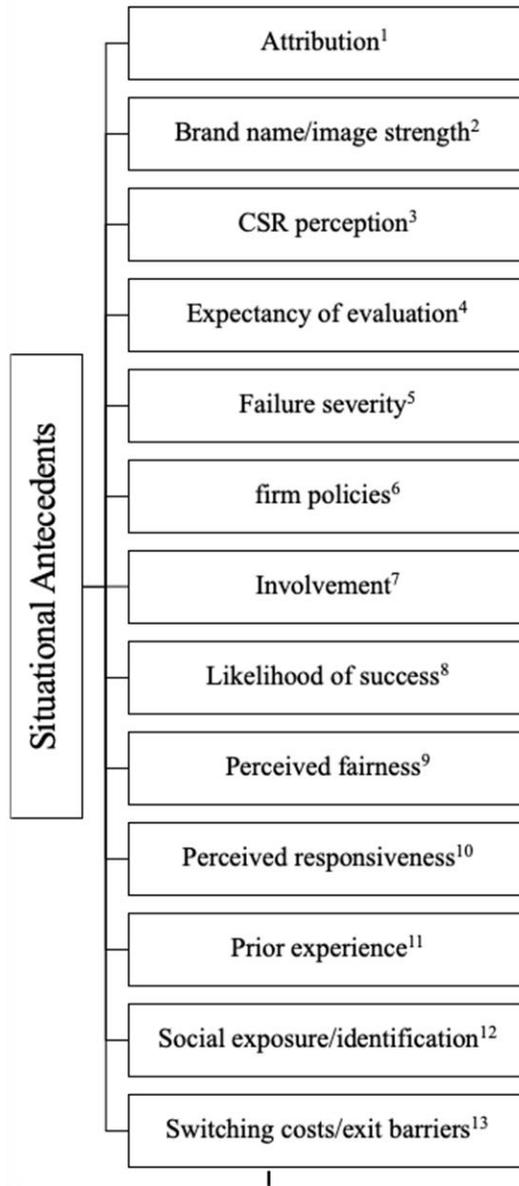
Negative word of mouth has more of an impact than positive word-of-mouth (Arndt 1967; Hornik, Satchi, Cesareo, and Pastore 2015). A study of extant literature reveals that NWOM shapes outcomes at three levels:

FIGURE 2A: NWOM Antecedent Framework- Personal Antecedents



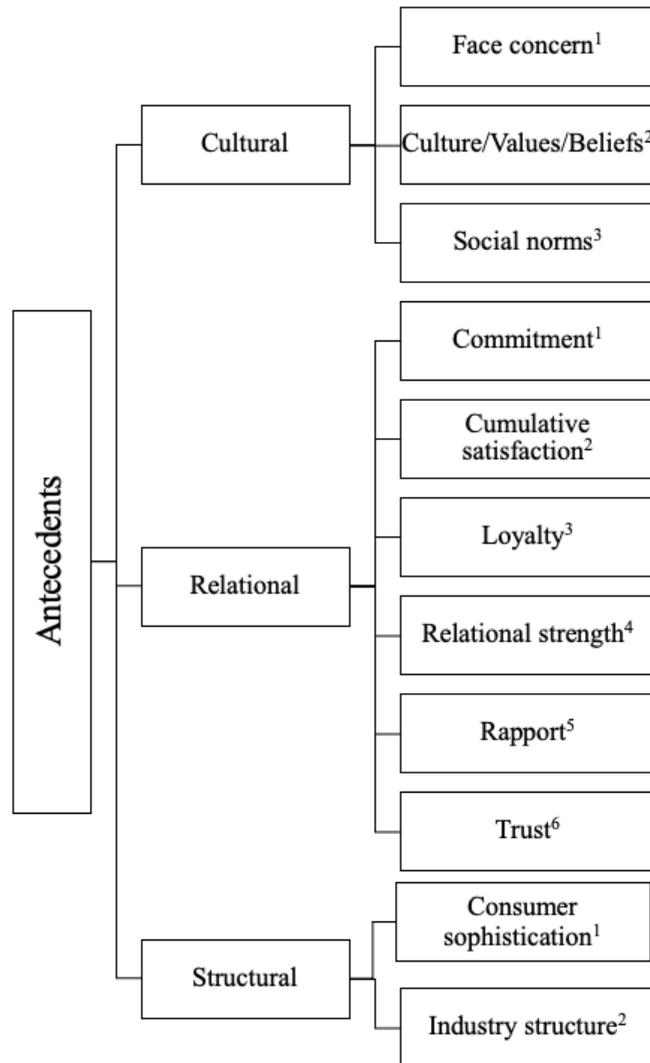
| | |
|---|---|
| 1. Advocacy/Altruism | Blodgett et al. (1993); De Matos and Rossi (2008); Leonidou and Skarmeas (2017); Richins (1983) |
| 2. Attitude towards complaining | Blodgett et al. (1993, 1995); Cheng et al. (2006); Xu, Laskey, Chen, Williams, and Sherry (2007) |
| 3. Demographics | Grace and O’Cass (2001); Joe and Choi (2019); Ngai, Heung, Wong, and Chan (2007) |
| 4. Emotions (Anger, disappointment, regret, sadness, embarrassment, hate, frustration, irritation, uncertainty) | Anaya, Miao, Mattila, and Almanza (2016); Fetscherin (2019); Harrison-Walker (2012); Mattila and Ro (2008); McColl-Kennedy et al. (2009); Strizhakova, Tsarenko, and Ruth (2012); Sundie, Ward, Beal, Chin, and Geiger-Oneto (2009); Van Vaerenbergh, Orsingher, Vermeir, and Larivière (2014); Wu and Wang (2017); Xiao, Hudders, Claeys, and Cauberghe (2018) |
| 5. Expressive similarity (in case of secondary transmission of NWOM) | Lim, Lee, and Foo (2017) |
| 6. Internet/Social media usage | Amatulli, De Angelis, and Stoppani (2019); Rouliez, Tojib, and Tsarenko (2019); Wilson et al. (2017) |
| 7. Thought speed | Pacheco, Geuens, and Pizzutti (2018) |
| 8. Self-conscious disposition | Marquis and Filiatrault (2002) |

FIGURE 2B: NWOM Antecedent Framework- Situational Antecedents



| | |
|------------------------------------|--|
| 1. Attribution | Balaji et al. (2016); Blodgett et al. (1993); Breitsohl and Garrod (2016); Ha (2006); Leonidou and Skarmeas (2017); Mattila and Ro (2008); Richins (1983); Van Vaerenbergh et al. (2014); Wang and Huff (2007) |
| 2. Brand name/image strength | Balaji et al. (2016); Kim and Boo (2011); Laczniak, DeCarlo, and Ramaswami (2001) |
| 3. CSR perception | Joireman, Smith, Liu, and Arthurs (2015); Vo, Xiao, and Ho (2019) |
| 4. Expectancy of evaluation | Lane and Keaveney (2005) |
| 5. Failure severity | Breitsohl and Garrod (2016); Chang, Tsai, Wong, Wang, and Cho (2015); McQuilken and Robertson (2011); Richins (1983); Wang and Huff (2007) |
| 6. Firm policies | Ashley and Noble (2014); Gelbrich (2010); McQuilken and Robertson (2011, 2013) |
| 7. Involvement | Blodgett et al. (1995); Wangenheim (2005) |
| 8. Likelihood of success | Blodgett et al. (1993, 1995); Singh (1990b) |
| 9. Perceived fairness | Antonetti and Manika (2017); Ferguson, Ellen, and Bearden (2014); Goles, Rao, Lee, and Warren (2009); Kim and Boo (2011); Malc, Mumel, and Pisman (2016); Swan and Oliver (1989) |
| 10. Perceived responsiveness | Richins (1983) |
| 11. Prior experience | Goles et al. (2009); Kim and Boo (2011) |
| 12. Social exposure/identification | Hickman and Ward (2013); Lee, Sparks, and Butcher (2013) |
| 13. Switching costs/exit barriers | Jones, Reynolds, Mothersbaugh, and Beatty (2007); Leisen Pollack (2017) |

FIGURE 2C: NWOM Antecedent Framework: Cultural, Relational and Structural Antecedents



| | |
|---------------------------------------|--|
| CULTURAL ANTECEDENTS | |
| 1. Face concern | Li, Qiu, and Liu (2016) ; Qiu, Li, Mattila, and Yang (2018) |
| 2. Cultural dimensions/values/beliefs | Lee, Khan, and Ko (2008); Liu, Furrer, and Sudarshan (2001); Ngai et al. (2007); Swanson, Huang, and Wang (2014); Yu, Liu, and Lee (2019) |
| 3. Social norms | Cheng et al. (2006); Kilian, Steinmann, and Hammes (2018) |
| RELATIONAL ANTECEDENTS | |
| 1. Commitment | De Matos and Rossi (2008); Keiningham et al. (2018) |
| 2. Cumulative satisfaction | De Matos and Rossi (2008); Keiningham et al. (2018); Ranaweera and Jayawardhena (2014); Swan and Oliver (1989); Weun, Beatty, and Jones (2004) |
| 3. Loyalty | De Matos and Rossi (2008); Kim, Lee, and Mattila (2014) |
| 4. Relationship strength | Ha (2006); Johnson et al. (2010); Kim et al. (2014); Yang and Mattila (2012); Zhang, Feick, and Mittal (2013) |
| 5. Rapport | DeWitt and Brady (2003) |
| 6. Trust | De Matos and Rossi (2008); Wang and Huff (2007) |
| STRUCTURAL ANTECEDENTS | |
| 1. Consumer sophistication | Singh (1990b) |
| 2. Industry structure | Andreasen (1985); Singh (1991) |

FIGURE 3A: NWOM Moderating Variables – Personal

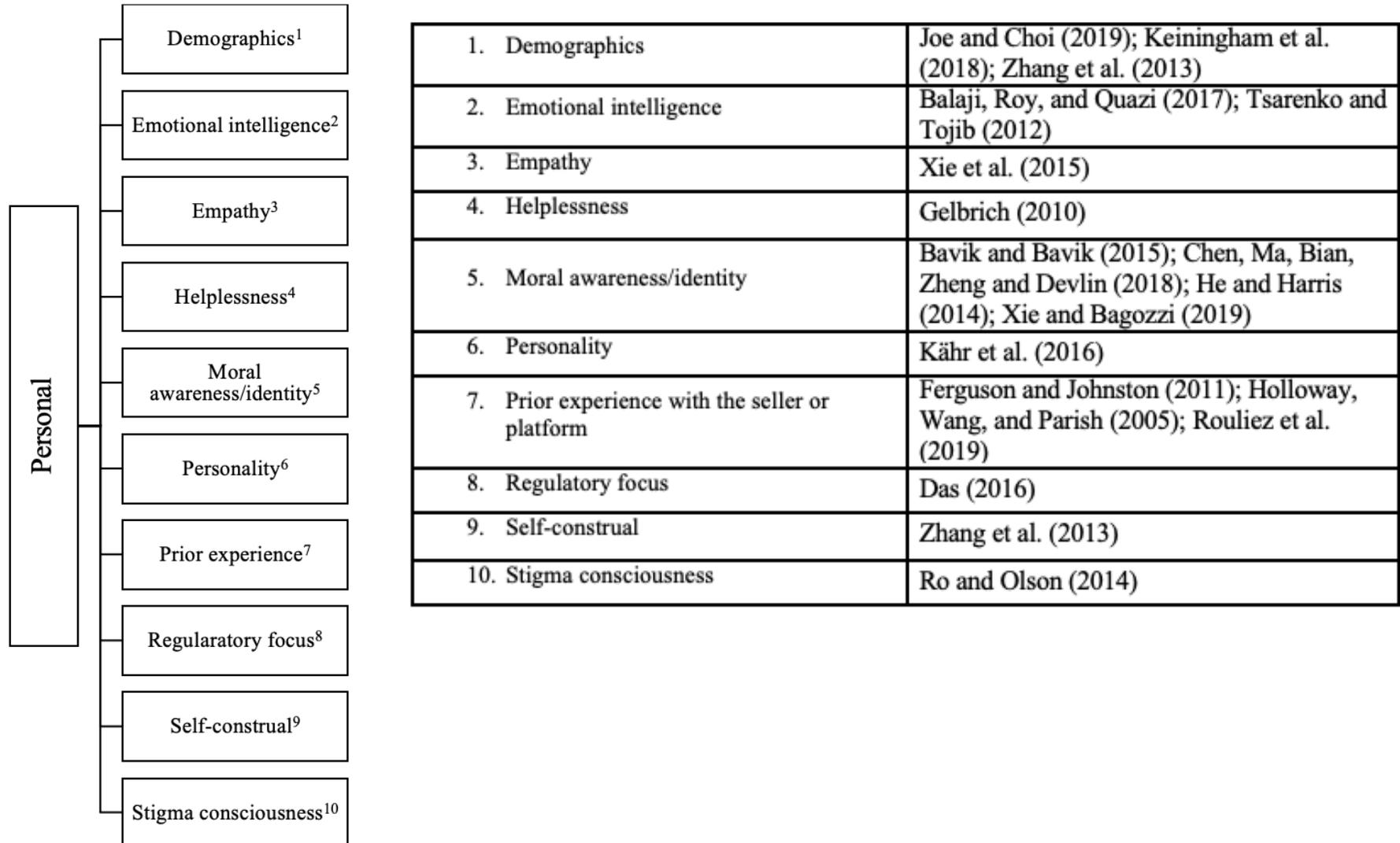
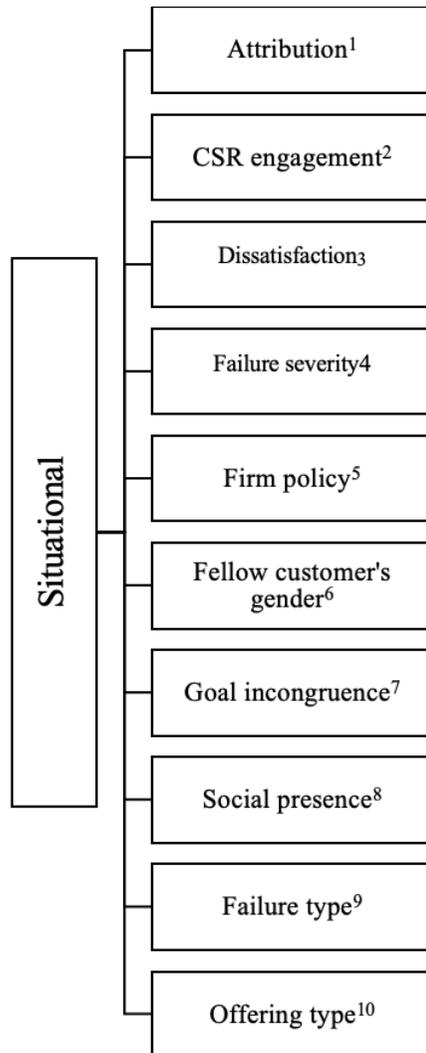
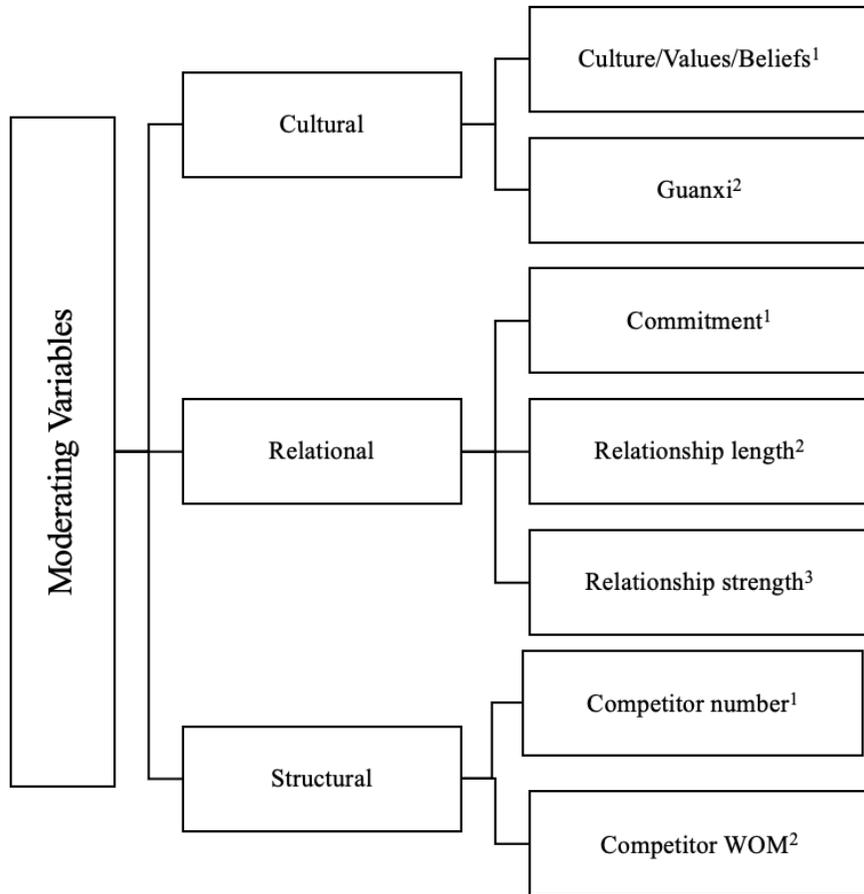


FIGURE 3B: NWOM Moderating Variables – Situational



| | |
|--|--|
| 1. Attribution | Xiao et al. (2018) |
| 2. CSR engagement | Vo et al. (2019) |
| 3. Dissatisfaction level | Singh and Pandya (1991) |
| 4. Failure severity | Jayasimha and Billore (2016); Weun et al. (2004) |
| 5. Firm policies | Wu and Wang (2017) |
| 6. Fellow customer's gender | Joe and Choi (2019) |
| 7. Goal incongruence | Soscia (2007) |
| 8. Social presence | Qiu et al. (2018) |
| 9. Type of failure | De Matos and Rossi (2008). |
| 10. Type of offering (Product/Service) | De Matos and Rossi (2008); Ranaweera and Jayawardhena (2014) |

FIGURE 3C: NWOM Moderating Variables: Cultural, Relational, and Structural



| | |
|---|------------------------------------|
| CULTURAL MODERATORS | |
| 1. Cultural dimensions/values/beliefs | Schoefer et al. (2019); Wan (2013) |
| 2. Guānxi | Li et al. (2016) |
| RELATIONAL MODERATORS | |
| 1. Commitment | Ranaweera and Menon (2013) |
| 2. Relationship length | Ranaweera and Menon (2013) |
| 3. Relationship strength | Kilian et al. (2018) |
| STRUCTURAL MODERATORS | |
| 1. Industry structure, i.e., number of alternatives | Ferguson and Johnston (2011) |
| 2. Level of competitor WOM | Ranaweera and Jayawardhena (2014) |

- 1) the individual consumer exhibiting the behavior;
- 2) prospective consumers exposed to the NWOM;
- 3) aggregate performance indicators.

Not only can dissatisfaction lead to NWOM, but it can also influence future dissatisfaction (Nyer and Gopinath 2005; Relling, Schnittka, Sattler, and Johnen 2016), repurchase, or patronage. NWOM also influences the recipients. Helping others know of the potential harms of dealing with firms is one motive for NWOM. In this respect, NWOM shapes expectations (Shi, Tang, Zhang, Gao, and Zhu 2016), brand attitude, brand attribute-level and overall evaluation (Laczniak et al. 2001), purchase intention (East, Hammond, and Lomax 2008), and innovation adoption (Jahanmir and Cavadas 2018).

Another consequence of NWOM is its aggregate impact on a firm's performance. Firms and brands that are the recipients of strong or frequent NWOM will likely suffer deterioration in performance indicators. NWOM can lead to reduced cash flows (Luo 2009), a fall in stock valuation (Luo 2007 2009) and net present value (Goldenberg, Libai, Moldovan, and Muller 2007), fall in revenues (Samson 2006), and a negative impact on profits (Blodgett and Li 2007).

NWOM TAXONOMY

We identify three dimensions to classify types of NWOM: legitimacy, redress stage, public/private dichotomy.

Legitimacy

Legitimate NWOM is triggered by genuine dissatisfaction, whereas illegitimate NWOM occurs in the absence of perceived dissatisfaction. Illegitimate complaining as a broader phenomenon is acknowledged to be driven by several motives, including underserved economic gain, social impression management, and global negative predisposition toward business (Reynolds and Harris 2005). All these motives, e.g., seeking sympathy or impressing others as a means of managing one's social impression, are relevant to NWOM incidence (Harris and Daunt 2011).

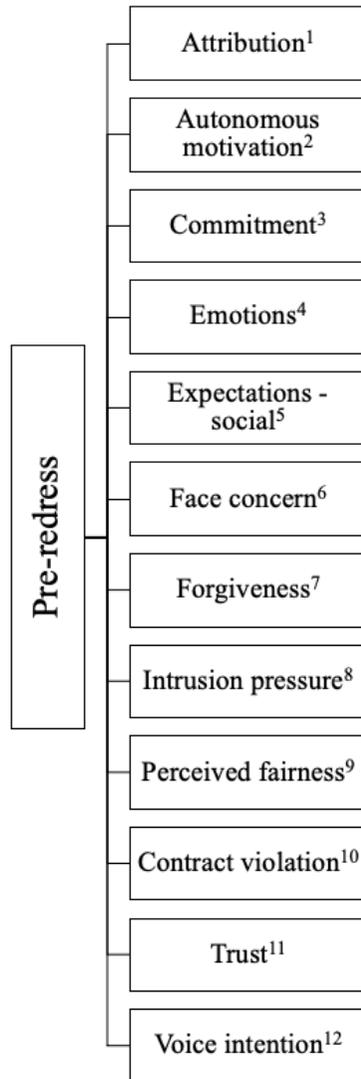
Redress Stage

Consumers can engage in NWOM both before and after they seek redress. When viewed as a primary response to dissatisfaction, a consumer can engage in NWOM as a coping mechanism. At the pre-redress phase, NWOM can act both as a substitute as well as a supplement to firm-directed voice. The only conceptual boundary is that the provider firm has not yet attempted to satisfy the complaining consumer. The firm can either recover (after getting knowledge of consumer dissatisfaction) or fail to recover. In the second case, consumers can engage in post-redress NWOM. Literature often views it mainly as a retaliatory or a vindictive response, although we assert that post-redress NWOM can also occur because of altruistic motives.

Private/Public

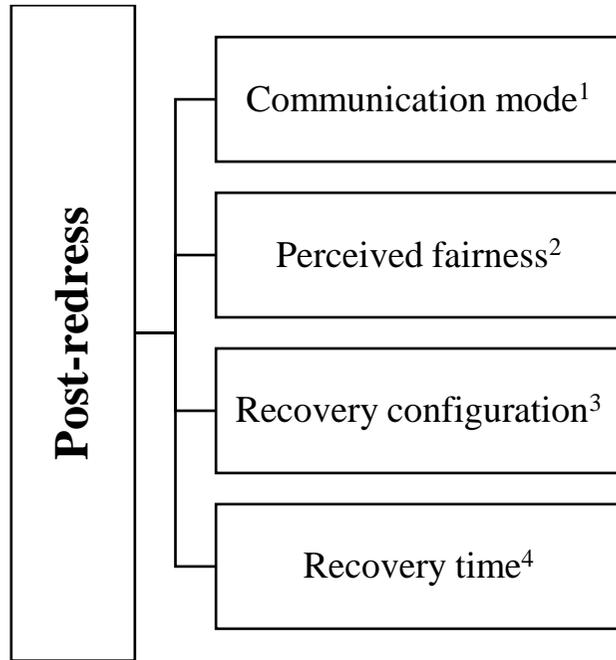
In the past, NWOM was typically restricted to a private response (Richins 1983; Singh 1988, 1990a). It was limited to a person's social circle. The dynamics of its propagation were implied in its nomenclature. Internet/social media technologies have made it possible to extend the reach of a consumer's informal firm-related message to a virtually unlimited number of prospective consumers. NWOM can more readily and frequently become public NWOM.

FIGURE 4A: NWOM Mediating Variables – Pre-redress



| | |
|---|---|
| 1. Attribution | Chang et al. (2015); Laczniak et al. (2001); Pacheco et al. (2018) |
| 2. Autonomous motivation | Bret Leary, Vann, and Mittelstaedt (2019) |
| 3. Commitment | Jones et al. (2007) |
| 4. Emotions | Antonetti and Manika (2017); Breitsohl and Garrod (2016); Gelbrich (2010); Grappi et al. (2013); Joireman et al. (2015); Kähr et al. (2016); Kilian et al. (2018); Sjödin (2008); Soscia (2007); Strizhakova et al. (2012); Sundie et al. (2009); Tuzovic, Simpson, Kuppelwieser, and Finsterwalder (2014); Wu and Wang (2017); Xie et al. (2015) |
| 5. Expected social satisfaction and social intentions | Alexandrov, Lilly, and Babakus (2013) |
| 6. Face concern | Wan (2013) |
| 7. Forgiveness | Harrison-Walker (2019); Tsarenko and Tojib (2012) |
| 8. Intrusion pressure | Ashley and Noble (2014) |
| 9. Perceived fairness | Noone (2012); White, Breazeale, and Collier (2012) |
| 10. Psychological contract violation | Bavik and Bavik (2015); Chih, Chiu, Lan, and Fang (2017); Goles et al. (2009) |
| 11. Trust | Goles et al. (2009) |
| 12. Voice complaint intention | Joe and Choi (2019) |

FIGURE 4B: NWOM Mediating Variables: Post-redress



| | |
|---|--|
| 1. Communication mode | Shapiro and Nieman-Gonder (2006) |
| 2. Perceived fairness or justice (in aggregate or via justice dimensions viz. distributive, procedural, interactional) | Blodgett and Anderson (2000); Gelbrich (2010); Holloway et al. (2005); Kau and Wan-Yiun Loh (2006) |
| 3. Recovery configuration | Casidy and Shin (2015) |
| 4. Recovery time | Hogreve, Bilstein, and Mandl (2017) |

Other potential dimensions exist. Consumer advocacy, i.e., the willingness to help fellow prospective consumers avoid a potentially dissatisfied purchase with the focal firm, is one of the motivations for NWOM (Gelbrich 2010; Jayasimha and Billore 2016). Another motive is to seek revenge, i.e., retaliating against the firm (Gelbrich 2010; Phau and Baird 2008). Similarly, the cause of an NWOM initiation may be an individual product/service failure at the operational level, e.g., a bad restaurant experience, a delayed flight, and so on. Another possibility is a corporate-level macro-failure such as incidents of corporate social irresponsibility, environmental harm, and unethical practices. Despite recognizing these conceptual differences, we don't use these dimensions in the taxonomy as these are not separate behaviors, but different underlying causes of the same response. Figure 5 illustrates our proposed NWOM taxonomy.

Our taxonomy recognizes both offline and online forms of NWOM. Sharing dissatisfaction with friends can occur face-to-face or through a restricted social media post such as a personal message or a Facebook post restricted to one's friend list. Our taxonomy encompasses public NWOM complaints or reviews posted at non-official platforms, i.e., online media not managed by the firm. Complaints posted at a firm's official platform (e.g., website, blog, social media handle) are a form of voice, i.e., a direct complaint to the firm (Melancon and Dalakas 2018). Being outside the realm of NWOM, the proposed taxonomy does not cover these firm-directed complaints even when they are accessible publicly.

Additionally, complaints or negatively valenced reviews posted on generic third-party complaining platforms fall in the realm of third-party actions. Since these negative online reviews possess similar conceptual features (but at a higher level of aggregation), we place them under public NWOM. Accordingly, public NWOM comprises complaints or negatively valenced reviews posted on a consumer's unrestricted social media post, a self-run blog, generic review websites, or a specially created anti-brand website https://oyo-ruined-my-anniversary.com/_or_http://www.walmartsucks.org. The self-created complaint website NWOM is constrained to be a post-redress phenomenon. The cost and effort involved in creating and running an anti-brand website imply that consumers go to this extent only when primary redress fails (Ward and Ostrom 2006). The illegitimate forms of NWOM are mirrors of corresponding legitimate responses. Only their nature changes in terms of legitimacy while retaining the same operationalizations as discussed above.

CONCLUSION AND FUTURE RESEARCH DIRECTIONS

Our goal in this study was to provide a comprehensive analysis of the different forms and consequences of NWOM and its antecedents, moderators, and mediators.

We propose a five-level classification schema for NWOM antecedents and a taxonomy of NWOM responses. On a practical level, our taxonomy highlights the duality of legitimate and illegitimate forms of NWOM. The one-to-one correspondence between both these forms of NWOM implies the practical difficulties of managerial evaluation and response.

Additionally, our work conceptually demarcates online complaining, enabling managers to craft differential strategies while revealing the need for further research. The dynamics of antecedents that enable a consumer to choose NWOM, from available complaining options, at both the pre-redress and post-redress stages need further study. In today's online hyper-mediated world, when the relative importance of situational and structural factors is reducing, there is also a need to emphasize the personal, cultural, and relational aspects. Table 6 and Figure 6 suggest future work on specific antecedents within these categories.

FIGURE 5: Proposed NWOM taxonomy

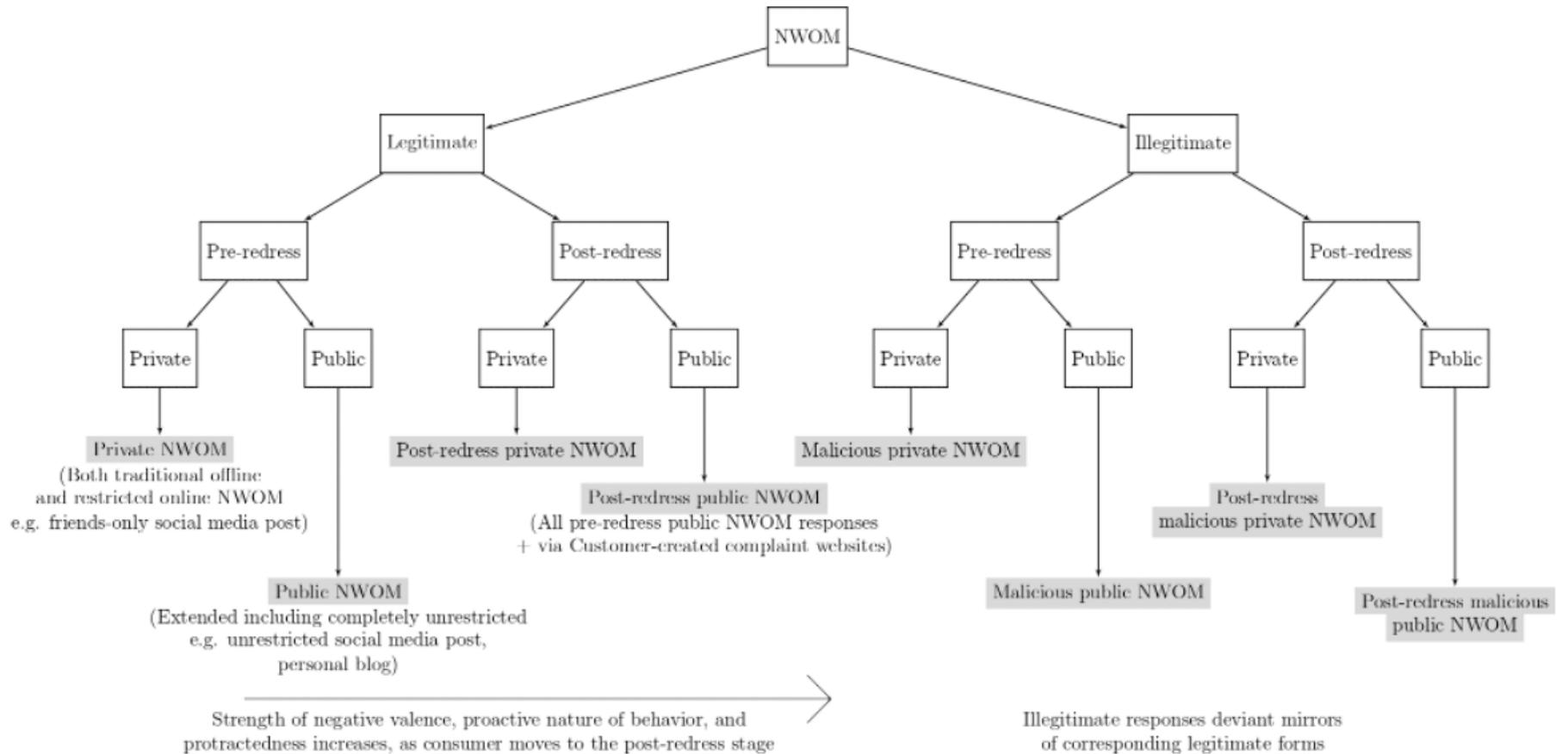
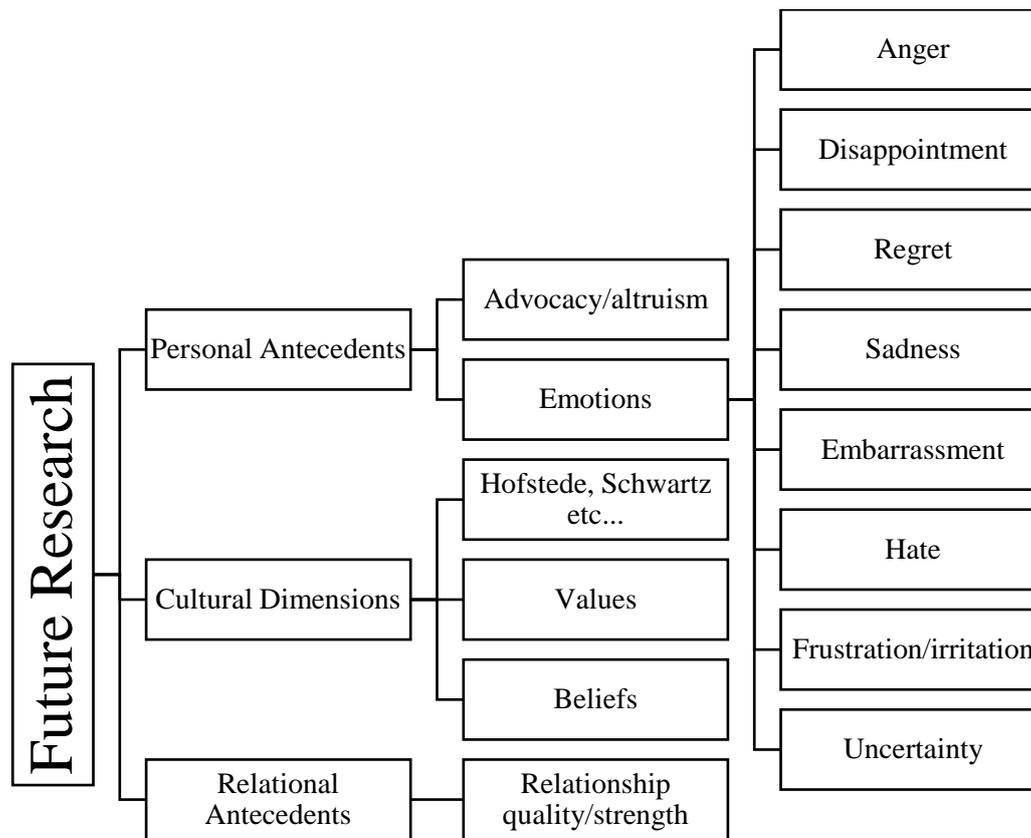


TABLE 6: Suggested Constructs for Future NWOM Research

| Category | Sub-category | Significance |
|------------------------|--|--|
| Personal antecedents | Advocacy/Altruism | Despite the sheer dominance of theories of self-interest, rationality, and calculative behavior, people do spend time and effort helping others without expecting some instrumental benefits. This timeless phenomenon becomes even more relevant in the context of user-generated content, which is a broad discipline encapsulating public NWOM. Researchers need to identify the explanations and boundary conditions of the altruism-NWOM link. |
| | Emotions (Anger, disappointment, regret, sadness, embarrassment, hate, frustration, irritation, uncertainty) | Emotions were incorporated into consumer complaining behavior, mainly in the 1990s. Despite the overall acceptance of the emotions-NWOM link, research needs to decipher the kind of emotions that lead to different forms of CCB, including NWOM. |
| Cultural antecedents | Cultural dimensions/values/beliefs | A globalized world and an emphasis on emerging market research necessitate a continued focus on cultural dimensions as NWOM antecedents. Two specific research directions are proposed- Moving beyond generalized cultural dimensions and especially beyond Hofstede's (1983) cross-cultural framework, and to the individual rather than national measurement. |
| Relational antecedents | Relationship quality/strength | The firm-customer association is more of a continuing series of interactions rather than isolated transaction(s). Although there has been work on the link between relational attributes such as length, strength, quality, etc., and NWOM or CCB in general, two views about this link's direction persist. Does a strong relationship give the firm some margin of customer tolerance in firm-attributed failure situations, or does it aggravate the customer's dissatisfaction and consequent response? |
| | Value co-creation | Value co-creation is generally considered a consequence of positively valenced e-WOM. However, the detrimental aspects of value co-creation, especially in situations accentuated by lack of consumer knowledge/ability and lack of consumer volition in co-creation settings, are known to have potentially damaging consequences, including NWOM (Heidenreich, Wittkowski, Handrich, and Falk 2015). This is a relatively under-researched area, and expectedly so, for it goes against the somewhat established paradigm. |

FIGURE 6: Suggested Constructs for Future NWOM Research



Whether NWOM substitutes other complaining behaviors or supplements them is also a potential area for research. Although Halstead (2002) explored the issue, the work was limited to NWOM - direct voice association. There are multiple complaining behaviors for which this association is untested.

NWOM helps individual consumers to vent their emotions. At the same time, it guides other consumers and works as a force in correcting poor-performing firms. However, at times, customers may engage in anti-normative behavior. While our taxonomy includes anti-normative behaviors, such as false NWOM, future research needs to explore the antecedents of this behavior. Customers may share exaggerated or fraudulent stories regarding their consumption experiences. Illegitimate complaining as a broader concept is well recognized (Reynolds and Harris 2005). However, despite good work in the space of deceptive reviews, little work has been linked to NWOM.

Public NWOM has changed the dynamics of negative word of mouth and complaining behavior. Despite the pervasiveness of the internet and social media, comparatively fewer studies have explored public NWOM. Whereas traditional NWOM behavior is harder to measure, and researchers are generally constrained to study NWOM intention, measuring public NWOM behavior is comparatively more straightforward. Web scraping and text mining can provide large amounts of text reviews/feedback to help overcome the possibilities of a weak intention-behavior link.

Within public NWOM, consumer-created complaint websites are an under-explored form of NWOM behavior. The motivation to pursue a relatively costly complaining manifestation while avoiding more direct complaining behaviors such as third party

complaining, or secondary voice needs further investigation. Do customers who create these websites exclusively have non-redress motives like consumer advocacy or revenge or are they using these platforms as a pressure-tactic in their redress attempts? The answer to this issue can help to place this category of NWOM in the broader complaining framework.

With the advent of online media, the gap between NWOM and third party complaining is blurred. Although we clarify the issue in the NWOM taxonomy, it still raises the question of whether consumers discriminate between the two aspects.

To conclude, the non-commercial spread of consumers' opinions and feelings constitutes one of the most potent mechanisms of market discipline. NWOM is a force that can mar the best of marketing campaigns. A thorough understanding of the evolving types and mechanisms of NWOM is essential.

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- Xie, C., Bagozzi, R. P., & Grønhaug, K. (2015). "The role of moral emotions and individual differences in consumer responses to corporate green and non-green actions," *Journal of the Academy of Marketing Science*, 43(3), 333–356. DOI: <https://doi.org/10.1007/s11747-014-0394-5>
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Appendix-1: List of articles examined in this paper

| S.no | Journal | ABDC ¹ category ² | Articles for the specified journal in chronological order |
|------|-------------------------------|---|--|
| 1 | Journal of Services Marketing | A | Bolfing, C. P. (1989). "How do customers express dissatisfaction and what can service marketers do about it?" <i>Journal of Services Marketing</i> , 3(2), 5-23. DOI: https://doi.org/10.1108/EUM0000000002483 |
| 2 | | | Blodgett, J. G., Wakefield, K. L., & Barnes, J. H. (1995). "The effects of customer service on consumer complaining behavior," <i>Journal of Services Marketing</i> , 9(4), 31-42. DOI: https://doi.org/10.1108/08876049510094487 |
| 3 | | | Grace, D., & O’Cass, A. (2001). "Attributions of service switching: a study of consumers’ and providers’ perceptions of child-care service delivery," <i>Journal of services marketing</i> , 15(4), 300-321. DOI: https://doi.org/10.1108/EUM0000000005508 |
| 4 | | | Weun, S., Beatty, S. E., & Jones, M. A. (2004). "The impact of service failure severity on service recovery evaluations and post-recovery relationships," <i>Journal of Services Marketing</i> , 18(2), 133-146. DOI: https://doi.org/10.1108/08876040410528737 |
| 5 | | | Hocutt, M. A., Bowers, M. R., & Todd Donavan, D. (2006). "The art of service recovery: fact or fiction?" <i>Journal of services Marketing</i> , 20(3), 199-207. DOI: https://doi.org/10.1108/08876040610665652 |
| 6 | | | Kau, A. K., & Wan-Yiun Loh, E. (2006). "The effects of service recovery on consumer satisfaction: a comparison between complainants and non-complainants," <i>Journal of Services Marketing</i> , 20(2), 101-111. DOI: https://doi.org/10.1108/08876040610657039 |
| 7 | | | Tuzovic, S. (2010). "Frequent (flier) frustration and the dark side of word-of-web: exploring online dysfunctional behavior in online feedback forums," <i>Journal of Services Marketing</i> , 24(6), 446-457. DOI: https://doi.org/10.1108/08876041011072564 |
| 8 | | | Chelminski, P., & Coulter, R. A. (2011). "An examination of consumer advocacy and complaining behavior in the context of service failure," <i>Journal of services marketing</i> , 25(5), 361-370. DOI: https://doi.org/10.1108/08876041111149711 |
| 9 | | | Harrison-Walker, L. J. (2012). "The role of cause and affect in service failure," <i>Journal of Services Marketing</i> , 26(2), 115-123. DOI: https://doi.org/10.1108/08876041211215275 |
| 10 | | | Noone, B. M. (2012). "Overcompensating for severe service failure: perceived fairness and effect on negative word-of-mouth intent," <i>Journal of Services Marketing</i> , 26(5), 342-351. DOI: https://doi.org/10.1108/08876041211245254 |
| 11 | | | Anaya, G. J., Miao, L., Mattila, A. S., & Almanza, B. (2016). "Consumer envy during service encounters," <i>Journal of Services Marketing</i> , 30(3), 359-372. DOI: https://doi.org/10.1108/JSM-03-2015-0121 |
| 12 | | | Das, G. (2016). "Understanding the role of regulatory focus in e-tailing activities," <i>Journal of Services Marketing</i> , 30(2), 212-222. DOI: https://doi.org/10.1108/JSM-10-2014-0358 |

¹ Australian Business Deans’ Council 2019 list; see <https://abdc.edu.au/research/abdc-journal-quality-list/>.

² Articles are arranged chronologically within each journal, and journal order is as per the frequency of selection.

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| 13 | | | Leisen Pollack, B. (2017). "Effects of exit barriers on word-of-mouth activities," <i>Journal of Services Marketing</i> , 31(6), 512-526. DOI: https://doi.org/10.1108/JSM-01-2016-0024 |
| 14 | | | Blodgett, J. G., Bakir, A., Mattila, A. S., Trujillo, A., Quintanilla, C., & Elmadağ, A. B. (2018). "Cross-national differences in complaint behavior: cultural or situational?" <i>Journal of Services Marketing</i> , 32(7), 913-924. DOI: https://doi.org/10.1108/JSM-12-2017-0413 |
| 15 | | | Harrison-Walker, L. J. (2019). "The effect of consumer emotions on outcome behaviors following service failure," <i>Journal of Services Marketing</i> . DOI: https://doi.org/10.1108/JSM-04-2018-0124 |
| | Sub-total | 15 | |
| 16 | Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior | B | Aron, D. (2001). "Consumer grudgeholding: Toward a conceptual model and research agenda," <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 14, 108-119. |
| 17 | | | Halstead, D. (2002). "Negative word of mouth: substitute for or supplement to consumer complaints?" <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 15, 1-12. |
| 18 | | | Davidow, M. (2003). "Have you heard the word? The effect of word of mouth on perceived justice, satisfaction and repurchase intentions following complaint handling," <i>Journal of and Complaining Behavior</i> , 16, 190-204. |
| 19 | | | Hernandez, M., & Fugate, D. L. (2004). "Post purchase behavioral intentions: an empirical study of dissatisfied retail consumers in Mexico," <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 17, 152. |
| 20 | | | Blodgett, J., Hill, D., & Bakir, A. (2006). "Cross-cultural complaining behavior? An alternative explanation," <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 19, 103-117. |
| 21 | | | Fernandes, D. V. D. H., & Santos, C. P. D. (2007). "Consumer complaining behavior in developing countries: the case of Brazil," <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 20, 86-109. |
| 22 | | | Audrain-Pontevia, A. F., & ESCP-EAP, A. J. K. (2008). "Negative word-of-mouth and redress strategies: An exploratory comparison of French and American managers," <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 21, 124-136. |
| 23 | | | Fox, G. L. (2008). "Getting good complaining without bad complaining," <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 21, 23-40. |
| 24 | | | Ashley, C., & Varki, S. (2009). "Loyalty and its influence on complaining behavior and service recovery satisfaction," <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 22, 21-35. |
| 25 | | | Lee, R., & Romaniuk, J. (2009). "Relating switching costs to positive and negative word-of-mouth," <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 22, 54-67. |
| 26 | | | Lang, B., & Hyde, K. F. (2013). « Word of Mouth: What We Know and What We Have Yet to Learn," <i>Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behavior</i> , 26, 1-18. |
| 27 | Davidow, M. (2014). "The a-craft model of organizational responses to customer complaints and their impact on post- | | |

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| | | | complaint customer behavior,” <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 27, 70-89. |
| 28 | | | Naylor, G. S. (2016). “Complaining complimenting and word-of-mouth in the digital age: Typology and terms,” <i>Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior</i> , 29, 131-142. |
| | Sub-total | 13 | |
| 29 | Journal of Business Research | A | Grappi, S., Romani, S., & Bagozzi, R. P. (2013). “Consumer response to corporate irresponsible behavior: Moral emotions and virtues,” <i>Journal of business research</i> , 66(10), 1814-1821. DOI: https://doi.org/10.1016/j.jbusres.2013.02.002 |
| 30 | | | Wan, L. C. (2013). “Culture's impact on consumer complaining responses to embarrassing service failure,” <i>Journal of Business Research</i> , 66(3), 298-305. DOI: https://doi.org/10.1016/j.jbusres.2011.08.009 |
| 31 | | | Ranaweera, C., & Jayawardhena, C. (2014). “Talk up or criticize? Customer responses to WOM about competitors during social interactions,” <i>Journal of Business Research</i> , 67(12), 2645-2656. DOI: https://doi.org/10.1016/j.jbusres.2014.04.002 |
| 32 | | | Ro, H., & Olson, E. D. (2014). “The effects of social justice and stigma-consciousness on gay customers' service recovery evaluation,” <i>Journal of Business Research</i> , 67(6), 1162-1169. DOI: https://doi.org/10.1016/j.jbusres.2013.05.006 |
| 33 | | | Zhou, Y., Tsang, A. S., Huang, M., & Zhou, N. (2014). “Does delaying service-failure resolution ever make sense?” <i>Journal of Business Research</i> , 67(2), 159-166. DOI: https://doi.org/10.1016/j.jbusres.2012.10.009 |
| 34 | | | Malc, D., Mumel, D., & Pisnik, A. (2016). “Exploring price fairness perceptions and their influence on consumer behavior,” <i>Journal of Business Research</i> , 69(9), 3693-3697. DOI: https://doi.org/10.1016/j.jbusres.2016.03.031 |
| 35 | | | Weitzl, W., & Hutzinger, C. (2017). “The effects of marketer-and advocate-initiated online service recovery responses on silent bystanders,” <i>Journal of Business Research</i> , 80, 164-175. DOI: https://doi.org/10.1016/j.jbusres.2017.04.020 |
| 36 | | | Chen, T., Ma, K., Bian, X., Zheng, C., & Devlin, J. (2018). “Is high recovery more effective than expected recovery in addressing service failure? —A moral judgment perspective,” <i>Journal of Business Research</i> , 82, 1-9. DOI: https://doi.org/10.1016/j.jbusres.2017.08.025 |
| 37 | | | Jahanmir, S. F., & Cavadas, J. (2018). “Factors affecting late adoption of digital innovations,” <i>Journal of business research</i> , 88, 337-343. DOI: https://doi.org/10.1016/j.jbusres.2018.01.058 |
| 38 | | | Nath, P., Devlin, J., & Reid, V. (2018). “The effects of online reviews on service expectations: Do cultural value orientations matter?” <i>Journal of Business Research</i> , 90, 123-133. DOI: https://doi.org/10.1016/j.jbusres.2018.05.001 |
| 39 | | | Fetscherin, M. (2019). “The five types of brand hate: How they affect consumer behavior,” <i>Journal of Business Research</i> , 101, 116-127. DOI: https://doi.org/10.1016/j.jbusres.2019.04.017 |
| 40 | | | Harrison-Walker, L. J. (2019). “The critical role of customer forgiveness in successful service recovery,” <i>Journal of Business Research</i> , 95, 376-391. DOI: https://doi.org/10.1016/j.jbusres.2018.07.049 |
| | Sub-total | 12 | |

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|----|---|----|---|
| 41 | Journal of Academy of Marketing Science | A* | Singh, J. (1990). "Voice, exit, and negative word-of-mouth behaviors: An investigation across three service categories," <i>Journal of the Academy of Marketing Science</i> , 18(1), 1-15. DOI: https://doi.org/10.1007/BF02729758 |
| 42 | | | Voorhees, C. M., Brady, M. K., & Horowitz, D. M. (2006). "A voice from the silent masses: an exploratory and comparative analysis of noncomplainers," <i>Journal of the academy of marketing science</i> , 34(4), 514-527. DOI: https://doi.org/10.1177%2F0092070306288762 |
| 43 | | | Bonifield, C., & Cole, C. A. (2008). "Better him than me: social comparison theory and service recovery," <i>Journal of the Academy of Marketing Science</i> , 36(4), 565-577. DOI: https://doi.org/10.1007/s11747-008-0109-x |
| 44 | | | De Matos, C. A., & Rossi, C. A. V. (2008). "Word-of-mouth communications in marketing: a meta-analytic review of the antecedents and moderators," <i>Journal of the Academy of marketing science</i> , 36(4), 578-596. DOI: https://doi.org/10.1007/s11747-008-0121-1 |
| 45 | | | Gelbrich, K. (2010). "Anger, frustration, and helplessness after service failure: coping strategies and effective informational support," <i>Journal of the Academy of Marketing Science</i> , 38(5), 567-585. DOI: https://doi.org/10.1007/s11747-009-0169-6 |
| 46 | | | Alexandrov, A., Lilly, B., & Babakus, E. (2013). "The effects of social-and self-motives on the intentions to share positive and negative word of mouth," <i>Journal of the Academy of Marketing Science</i> , 41(5), 531-546. DOI: https://doi.org/10.1007/s11747-012-0323-4 |
| 47 | | | Xie, C., Bagozzi, R. P., & Grønhaug, K. (2015). "The role of moral emotions and individual differences in consumer responses to corporate green and non-green actions," <i>Journal of the Academy of Marketing Science</i> , 43(3), 333-356. DOI: https://doi.org/10.1007/s11747-014-0394-5 |
| 48 | | | Hogreve, J., Bilstein, N., & Mandl, L. (2017). "Unveiling the recovery time zone of tolerance: When time matters in service recovery," <i>Journal of the Academy of Marketing Science</i> , 45(6), 866-883. DOI: https://doi.org/10.1007/s11747-017-0544-7 |
| 49 | | | Lim, E. A. C., Lee, Y. H., & Foo, M. D. (2017). "Frontline employees' nonverbal cues in service encounters: a double-edged sword," <i>Journal of the Academy of Marketing Science</i> , 45(5), 657-676. DOI: https://doi.org/10.1007/s11747-016-0479-4 |
| 50 | | | Wilson, A. E., Giebelhausen, M. D., & Brady, M. K. (2017). "Negative word of mouth can be a positive for consumers connected to the brand," <i>Journal of the Academy of Marketing Science</i> , 45(4), 534-547. DOI: https://doi.org/10.1007/s11747-017-0515-z |
| | Sub-total | 10 | |
| 51 | Journal of Service Research | A* | Blodgett, J. G., & Anderson, R. D. (2000). "A Bayesian network model of the consumer complaint process," <i>Journal of Service Research</i> , 2(4), 321-338. DOI: https://doi.org/10.1177%2F109467050024002 |
| 52 | | | Liu, B. S. C., Furrer, O., & Sudharshan, D. (2001). "The relationships between culture and behavioral intentions toward services," <i>Journal of service research</i> , 4(2), 118-129. DOI: https://doi.org/10.1177%2F109467050142004 |

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| 53 | | | DeWitt, T., & Brady, M. K. (2003). "Rethinking service recovery strategies: the effect of rapport on consumer responses to service failure," <i>Journal of Service Research</i> , 6(2), 193-207. DOI: https://doi.org/10.1177%2F1094670503257048 |
| 54 | | | Wangenheim, F. V. (2005). "Postswitching negative word of mouth," <i>Journal of Service Research</i> , 8(1), 67-78. DOI: https://doi.org/10.1177%2F1094670505276684 |
| 55 | | | Jones, M. A., Reynolds, K. E., Mothersbaugh, D. L., & Beatty, S. E. (2007). "The positive and negative effects of switching costs on relational outcomes," <i>Journal of Service Research</i> , 9(4), 335-355. DOI: https://doi.org/10.1177%2F1094670507299382 |
| 56 | | | Schoefer, K., & Diamantopoulos, A. (2008). "The role of emotions in translating perceptions of (in) justice into post complaint behavioral responses," <i>Journal of service research</i> , 11(1), 91-103. DOI: https://doi.org/10.1177%2F1094670508319091 |
| 57 | | | Strizhakova, Y., Tsarenko, Y., & Ruth, J. A. (2012). "'I'm Mad and I Can't Get That Service Failure Off My Mind' Coping and Rumination as Mediators of Anger Effects on Customer Intentions," <i>Journal of Service Research</i> , 15(4), 414-429. DOI: https://doi.org/10.1177%2F1094670512443999 |
| 58 | | | Van Vaerenbergh, Y., Orsingher, C., Vermeir, I., & Larivière, B. (2014). "A meta-analysis of relationships linking service failure attributions to customer outcomes," <i>Journal of Service Research</i> , 17(4), 381-398. DOI: https://doi.org/10.1177%2F1094670514538321 |
| 59 | | | Albrecht, A. K., Walsh, G., & Beatty, S. E. (2017). "Perceptions of group versus individual service failures and their effects on customer outcomes: The role of attributions and customer entitlement," <i>Journal of Service Research</i> , 20(2), 188-203. DOI: https://doi.org/10.1177%2F1094670516675416 |
| | Sub-total | 9 | |
| 60 | Psychology and Marketing | A | Marquis, M., & Filiatrault, P. (2002). "Understanding complaining responses through consumers' self-consciousness disposition," <i>Psychology & Marketing</i> , 19(3), 267-292. DOI: https://doi.org/10.1002/mar.10012 |
| 61 | | | Lane, V. R., & Keaveney, S. M. (2005). "The negative effects of expecting to evaluate: Reexamination and extension in the context of service failure," <i>Psychology & Marketing</i> , 22(11), 857-885. DOI: https://doi.org/10.1002/mar.20088 |
| 62 | | | Nyer, P. U., & Gopinath, M. (2005). "Effects of complaining versus negative word of mouth on subsequent changes in satisfaction: The role of public commitment," <i>Psychology & Marketing</i> , 22(12), 937-953. DOI: https://doi.org/10.1002/mar.20092 |
| 63 | | | Soscia, I. (2007). "Gratitude, delight, or guilt: The role of consumers' emotions in predicting postconsumption behaviors," <i>Psychology & Marketing</i> , 24(10), 871-894. DOI: https://doi.org/10.1002/mar.20188 |
| 64 | | | Wetzer, I. M., Zeelenberg, M., & Pieters, R. (2007). "'Never eat in that restaurant, I did!': Exploring why people engage in negative word-of-mouth communication," <i>Psychology & Marketing</i> , 24(8), 661-680. DOI: https://doi.org/10.1002/mar.20178 |
| 65 | | | Parthasarathy, M., & Forlani, D. (2010). "Do satisfied customers bad-mouth innovative products?" <i>Psychology &</i> |

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| | | | <i>Marketing</i> , 27(12), 1134-1153. DOI: https://doi.org/10.1002/mar.20377 |
| 66 | | | Kilian, T., Steinmann, S., & Hammes, E. (2018). "Oh my gosh, I got to get out of this place! A qualitative study of vicarious embarrassment in service encounters," <i>Psychology & Marketing</i> , 35(1), 79-95. DOI: https://doi.org/10.1002/mar.21072 |
| 67 | | | Hawkins, M. A. (2019). "The effect of activity identity fusion on negative consumer behavior," <i>Psychology & Marketing</i> , 36(4), 395-409. DOI: https://doi.org/10.1002/mar.21186 |
| 68 | | | Xie, C., & Bagozzi, R. P. (2019). "Consumer responses to corporate social irresponsibility: The role of moral emotions, evaluations, and social cognitions," <i>Psychology & Marketing</i> , 36(6), 565-586. DOI: https://doi.org/10.1002/mar.21197 |
| | Sub-total | 9 | |
| 69 | European Journal of Marketing | A* | Singh, J., & Pandya, S. (1991). "Exploring the effects of consumers' dissatisfaction level on complaint behaviors," <i>European Journal of Marketing</i> , 25(9), 7-21. DOI: https://doi.org/10.1108/EUM00000000000621 |
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| | Sub-total | 8 | |
| 77 | Journal of Retailing | A* | Swan, J. E., & Oliver, R. L. (1989). "Postpurchase communications by consumers," <i>Journal of retailing</i> , 65(4), 516. |
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| | Sub-total | 7 | |
| 84 | International Journal of Hospitality Management | A* | McQuilken, L., & Robertson, N. (2011). "The influence of guarantees, active requests to voice and failure severity on customer complaint behavior," <i>International Journal of Hospitality Management</i> , 30(4), 953-962. DOI: https://doi.org/10.1016/j.ijhm.2011.02.003 |
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| | Sub-total | 6 | |
| 90 | International Journal of Research in Marketing | A* | East, R., Hammond, K., & Wright, M. (2007). "The relative incidence of positive and negative word of mouth: A multi-category study," <i>International journal of research in marketing</i> , 24(2), 175-184. DOI: https://doi.org/10.1016/j.ijresmar.2006.12.004 |

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| | Sub-total | 6 | |
| 96 | Journal of Retailing and Consumer Services | A | Söderlund, M., & Rosengren, S. (2007). "Receiving word-of-mouth from the service customer: An emotion-based effectiveness assessment," <i>Journal of retailing and consumer services</i> , 14(2), 123-136. DOI: https://doi.org/10.1016/j.jretconser.2006.10.001 |
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| | Sub-total | 6 | |

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| 102 | International Journal of Contemporary Hospitality Management | A | Swanson, S. R., Huang, Y., & Wang, B. (2014). "Hospitality-based critical incidents: a cross-cultural comparison," <i>International Journal of Contemporary Hospitality Management</i> . DOI: https://doi.org/10.1108/IJCHM-03-2012-0033 |
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| 105 | | | Qiu, S., Li, M., Mattila, A. S., & Yang, W. (2018). "Managing the face in service failure: the moderation effect of social presence," <i>International Journal of Contemporary Hospitality Management</i> , 30(3), 1314-1331. DOI: https://doi.org/10.1108/IJCHM-06-2016-0315 |
| 106 | | | Joe, S., & Choi, C. (2019). "The effect of fellow customer on complaining behaviors: the moderating role of gender," <i>International Journal of Contemporary Hospitality Management</i> . DOI: https://doi.org/10.1108/IJCHM-09-2018-0717 |
| | Sub-total | 5 | |
| 107 | Journal of Hospitality and Tourism Research | A | Cheng, S., Lam, T., & Hsu, C. H. (2006). "Negative word-of-mouth communication intention: An application of the theory of planned behavior," <i>Journal of Hospitality & Tourism Research</i> , 30(1), 95-116. DOI: https://doi.org/10.1177%2F1096348005284269 |
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| 110 | | | Lee, C. H., & Cranage, D. A. (2014). "Toward understanding consumer processing of negative online word-of-mouth communication: the roles of opinion consensus and organizational response strategies," <i>Journal of Hospitality & Tourism Research</i> , 38(3), 330-360. DOI: https://doi.org/10.1177%2F1096348012451455 |
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| | Sub-total | 5 | |
| 112 | Journal of Business Ethics | A | Ferguson, J. L., Ellen, P. S., & Bearden, W. O. (2014). "Procedural and distributive fairness: Determinants of overall price fairness," <i>Journal of business ethics</i> , 121(2), 217-231. DOI: https://doi.org/10.1007/s10551-013-1694-2 |
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| | Sub-total | 4 | |
| 116 | Journal of Consumer Psychology | A | Smith, R. E., & Vogt, C. A. (1995). "The effects of integrating advertising and negative word-of-mouth communications on message processing and response," <i>Journal of Consumer Psychology</i> , 4(2), 133-151. DOI: https://doi.org/10.1207/s15327663jcp0402_03 |
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| | Sub-total | 4 | |
| 120 | Journal of Marketing Management | A | Harris, L. C., & Daunt, K. L. (2011). "Deviant customer behavior: A study of techniques of neutralisation," <i>Journal of Marketing Management</i> , 27(7-8), 834-853. DOI: https://doi.org/10.1080/0267257X.2010.498149 |
| 121 | | | Tsarenko, Y., & Tojib, D. (2012). "The role of personality characteristics and service failure severity in consumer forgiveness and service outcomes," <i>Journal of Marketing Management</i> , 28(9-10), 1217-1239. DOI: https://doi.org/10.1080/0267257X.2011.619150 |
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| 123 | | | Trautwein, S., & Lindenmeier, J. (2019). "The effect of affective response to corporate social irresponsibility on consumer resistance behavior: validation of a dual-channel model," <i>Journal of Marketing Management</i> , 35(3-4), 253-276. DOI: https://doi.org/10.1080/0267257X.2019.1568282 |
| | Sub-total | 4 | |
| 124 | Journal of Advertising Research | A | Bayus, B. L. (1985). "Word of mouth-the indirect effects of marketing efforts," <i>Journal of advertising research</i> , 25(3), 31-39. |

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| 125 | | | Romaniuk, J. (2007). "Word of mouth and the viewing of television programs," <i>Journal of Advertising Research</i> , 47(4), 462-471. DOI: https://doi.org/10.2501/S0021849907070481 |
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| | Sub-total | 3 | |
| 127 | Journal of Brand Management | A | Sjödin, H. (2008). "Upsetting brand extensions: An enquiry into current customers' inclination to spread negative word of mouth," <i>Journal of Brand Management</i> , 15(4), 258-271. DOI: https://doi.org/10.1057/palgrave.bm.2550113 |
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| 129 | | | Yu, M., Liu, F., & Lee, J. A. (2019). "Consumers' responses to negative publicity: the influence of culture on information search and negative word-of-mouth," <i>Journal of Brand Management</i> , 26(2), 141-156. DOI: https://doi.org/10.1057/s41262-018-0123-3 |
| | Sub-total | 3 | |
| 130 | Journal of Consumer Research | A* | Ward, J. C., & Ostrom, A. L. (2006). "Complaining to the masses: The role of protest framing in customer-created complaint web sites," <i>Journal of Consumer Research</i> , 33(2), 220-230. DOI: https://doi.org/10.1086/506303 |
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| | Sub-total | 3 | |
| 133 | Journal of Interactive Marketing | A | Holloway, B. B., Wang, S., & Parish, J. T. (2005). "The role of cumulative online purchasing experience in service recovery management," <i>Journal of Interactive Marketing</i> , 19(3), 54-66. DOI: https://doi.org/10.1002/dir.20043 |
| 134 | | | Chakravarty, A., Liu, Y., & Mazumdar, T. (2010). "The differential effects of online word-of-mouth and critics' reviews on pre-release movie evaluation," <i>Journal of Interactive Marketing</i> , 24(3), 185-197. DOI: https://doi.org/10.1016/j.intmar.2010.04.001 |
| 135 | | | Van Noort, G., & Willemsen, L. M. (2012). "Online damage control: The effects of proactive versus reactive webcare interventions in consumer-generated and brand-generated platforms," <i>Journal of interactive marketing</i> , 26(3), 131-140. DOI: https://doi.org/10.1016/j.intmar.2011.07.001 |
| | Sub-total | 3 | |
| 136 | | A | Shapiro, T., & Nieman-Gonder, J. (2006). "Effect of communication mode in justice-based service recovery," <i>Managing</i> |

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| | Journal of Service Theory and Practice | | <i>Service Quality: An International Journal</i> , 16(2), 124-144. DOI: https://doi.org/10.1108/09604520610650619 |
| 137 | | | Lin, H. H., Wang, Y. S., & Chang, L. K. (2011). "Consumer responses to online retailer's service recovery after a service failure," <i>Managing Service Quality: An International Journal</i> . DOI: https://doi.org/10.1108/09604521111159807 |
| 138 | | | Ludwig, N. L., Heidenreich, S., Kraemer, T., & Gouthier, M. (2017). "Customer delight: universal remedy or a double-edged sword?" <i>Journal of Service Theory and Practice</i> , 27(1), 22-45. DOI: https://doi.org/10.1108/JSTP-08-2015-0197 |
| | Sub-total | 3 | |
| 139 | Journal of Hospitality Marketing and Management | A | Kim, J., & Boo, S. (2011). "Influencing factors on customers' intention to complain in a franchise restaurant," <i>Journal of Hospitality Marketing & Management</i> , 20(2), 217-237. DOI: https://doi.org/10.1080/19368623.2010.514559 |
| 140 | | | Kim, M. G., Lee, C. H., & Mattila, A. S. (2014). "Determinants of customer complaint behavior in a restaurant context: The role of culture, price level, and customer loyalty," <i>Journal of Hospitality Marketing & Management</i> , 23(8), 885-906. DOI: https://doi.org/10.1080/19368623.2014.896762 |
| | Sub-total | 2 | |
| 141 | Journal of Marketing | A* | Richins, M. L. (1983). "Negative word-of-mouth by dissatisfied consumers: A pilot study," <i>Journal of marketing</i> , 47(1), 68-78. DOI: https://doi.org/10.1177%2F002224298304700107 |
| 142 | | | Kähr, A., Nyffenegger, B., Krohmer, H., & Hoyer, W. D. (2016). "When hostile consumers wreak havoc on your brand: The phenomenon of consumer brand sabotage," <i>Journal of Marketing</i> , 80(3), 25-41. DOI: https://doi.org/10.1509%2Fjfm.15.0006 |
| | Sub-total | 2 | |
| 143 | Journal of Service Management | A | Harris, L. C., Fisk, R. P., & Sysalova, H. (2016). "Exposing Pinocchio customers: investigating exaggerated service stories," <i>Journal of Service Management</i> , 27(2), 63-90. DOI: https://doi.org/10.1108/JOSM-06-2015-0193 |
| 144 | | | Keiningham, T. L., Rust, R. T., Lariviere, B., Aksoy, L., & Williams, L. (2018). "A roadmap for driving customer word-of-mouth," <i>Journal of Service Management</i> , 29(1), 2-38. DOI: https://doi.org/10.1108/JOSM-03-2017-0077 |
| | Sub-total | 2 | |
| 145 | Journal of Strategic Marketing | A | Ha, H. Y. (2006). "An exploratory study and consumers' perceptions of e-reverse bundling price in online retailing," <i>Journal of Strategic Marketing</i> , 14(3), 211-228. DOI: https://doi.org/10.1080/09652540600825456 |
| 146 | | | Jayasimha, K. R., & Billore, A. (2016). "I complain for your good? Re-examining consumer advocacy," <i>Journal of Strategic Marketing</i> , 24(5), 360-376. DOI: https://doi.org/10.1080/0965254X.2015.1011204 |
| | Sub-total | 2 | |
| 147 | Marketing Science | A* | Luo, X. (2009). "Quantifying the long-term impact of negative word of mouth on cash flows and stock prices," <i>Marketing Science</i> , 28(1), 148-165. DOI: https://doi.org/10.1287/mksc.1080.0389 |
| 148 | | | Nam, S., Manchanda, P., & Chintagunta, P. K. (2010). "The effect of signal quality and contiguous word of mouth on customer acquisition for a video-on-demand service," <i>Marketing</i> |

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| | Sub-total | 2 | |
| 149 | Public Relations Review | A | Einwiller, S. A., Laufer, D., & Ruppel, C. (2017). "Believe me, I am one of you! The role of common group affiliation in crisis communication," <i>Public Relations Review</i> , 43(5), 1007-1015. DOI: https://doi.org/10.1016/j.pubrev.2017.09.006 |
| 150 | | | Xiao, Y., Hudders, L., Claeys, A. S., & Cauberghe, V. (2018). "The impact of expressing mixed valence emotions in organizational crisis communication on consumer's negative word-of-mouth intention," <i>Public Relations Review</i> , 44(5), 794-806. DOI: https://doi.org/10.1016/j.pubrev.2018.10.007 |
| | Sub-total | 2 | |
| 151 | Tourism Management | A* | Sánchez-García, I., & Currás-Pérez, R. (2011). "Effects of dissatisfaction in tourist services: The role of anger and regret," <i>Tourism Management</i> , 32(6), 1397-1406. DOI: https://doi.org/10.1016/j.tourman.2011.01.016 |
| 152 | | | Breitsohl, J., & Garrod, B. (2016). "Assessing tourists' cognitive, emotional, and behavioural reactions to an unethical destination incident," <i>Tourism Management</i> , 54, 209-220. DOI: https://doi.org/10.1016/j.tourman.2015.11.004 |
| | Sub-total | 2 | |
| 22 journals having one article each | | | |
| 153 | Lee, K., Khan, M. A., & Ko, J. Y. (2008). "A cross-national comparison of consumer perceptions of service recovery," <i>Journal of Travel & Tourism Marketing</i> , 24(1), 1-16. DOI: https://doi.org/10.1300/J073v24n01_01 | | |
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EXTENDING THE ARGUMENT: A CASE STUDY EXPLORING HOW TO COMBAT AND DECAY CONSUMER GRUDGES

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ABSTRACT

We study the process involved in diminishing consumer grudges against an industry. Through a qualitative case study of an organization tasked with changing consumer's negative perceptions and beliefs about the Canadian agriculture industry, we uncover how the process of decaying grudges involves presenting information, creating credible sources, and building positive affect. Our findings extend Thota and Wright's (2006) grudgeholding decay framework.

INTRODUCTION

The modern digital era, the time period after the mid-2000s when Facebook and Twitter opened to the public and Yelp began allowing public reviews of businesses, moved us into an age where it is easy for consumers to communicate their grudges against offending firms and industries. Perhaps no industry has experienced this more acutely than the agriculture industry. For instance, following a National Post article on “Frankenfood”, the agriculture industry was inundated with negative press, including Sierra Club of Canada demonstrations and a \$9 million “True Food” campaign by Greenpeace Canada (McKinnon, 1998; Schultz, 2000; Baxter, 2000). While many industries have had to deal with consumers grudges (e.g., the airline industry), in these industries we do not see consumers performing domestic terrorism attacks (Yang, Su, & Carson, 2014) or spending millions of dollars to retaliate (Baxter, 2000) as has happened within the agriculture industry.

Today, a quick online search yields many posts promulgating grudges against farmers. For instance, in 2011, Vani Hari, better known as “The Food Babe” began to actively criticize the food industry in her blogs, talks, and on her website (Hari, 2015). While very little of what she claimed was correct, her narrative about how she transformed from frumpy to “babe” by rejecting the unhealthy food being produced by our food system struck a chord with many consumers. The Food Babe’s blog received over 54 million views, her Instagram and Twitter built over 250,000 followers, her Facebook accrued over a million fans, and her book – *The Food Babe Way: Break Free from the Hidden Toxins in your Food and Lose Weight* - hit the bestseller list (Godoy, 2014). Similarly, in 2013, Dr. Perlmutter published the book – *Grain Brain*, which deemed wheat a “dietary poison” and William Davis published the book – *Wheat Belly*, which claimed that grains were killing people (Perlmutter, 2018; Davis, 2019). Both *Grain Brain* and *Wheat Belly* quickly amassed a huge following and reached #1 on multiple best-seller lists, including *The New York Times*. All this has raised the question, *how can the agriculture industry combat and decay these grudges?*

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Previous research has much to say about why consumers hold grudges and why they persist over time and decay slowly, if at all. Indeed, research has produced important insights about the mechanisms that mediate the persuasiveness of arguments looking to diminish consumer grudges and support counterattitudinal information (Ahluwalia, 2000). However, this scholarship has had little to say about the process of decaying grudgeholding (Thota & Wright, 2006). We address this gap by exploring the process involved in trying to change grudgeholders negative attitudes. Using an abductive case study approach (e.g., Nordstrom, Tubilaski, & Peterson, 2021), we develop a model of the process. “Abduction” is a qualitative research method useful for examining case studies in order to discover new things and elaborate theory (Dubois & Gadde, 2002; Peirce, 1955). In the sections that follow, we review theory and research to lay the groundwork for our case study. We then describe our discursive exploration of the texts released by Agriculture More Than Ever (AMTE) before theorizing the process involved in grudge decay. We conclude with a discussion of contributions and implications.

LITERATURE REVIEW

Prior literature has established that consumer’s dissatisfaction can lead to grudgeholding (Hunt & Hunt, 1990; Aron, 2001; Aron, Judson, Aurand, & Gordon, 2006). Grudgeholding is more than simply avoiding or exiting the relationship, consumer grudgeholding is an “extreme exit” (p. 228), “an exit overladen with strong negative emotions” (Hunt, Hunt, Hunt ., 1988; Huefner & Hunt, 1992), and a desire to actively spread negative word-of-mouth communication (Hunt & Hunt 1990; Huefner & Hunt, 1992).

Previous work has estimated the detrimental effects of incurring consumer grudges. Customers are generators of revenue streams and have a lifetime value (Stahl, Matzler, & Hinterhuber, 2003) with lifetime customers being the most profitable. For instance, Kotler (2001) estimated that losing a single customer could cost Lexus up to \$600,000 and losing a Taco Bell customer would cost the company more than \$12,000. Additionally, Javalgi, Whipple, Ghosh, and Young (2005) estimated that a lost customer can lose a grocery store as much as \$50,000 over a 10-year period while Aron et al. (2006) suggested that “the costs associated with lost revenue from missed sales could easily run in the tens or even hundreds of thousands of dollars” (p. 158). Moreover, while it is more difficult to monetize, Bunker and Ball (2009) proposed that the cost of negative word-of-mouth can be even more substantial. People who engage in negative word-of-mouth talk to more people than those who engage in positive word-of-mouth (Naylor & Kleiser, 2000). And the rise of the Internet has made it possible to quickly spread negative word-of-mouth to more people. Berger and Milkman (2012) stated that approximately 60 percent of individuals share information with their friends online. Whether through discussion boards, blogs, elaborate anti-brand web sites (Aron & Muniz, 2002) or anti-brand advertisements (Muniz & Schau, 2007), dozens to hundreds of thousands of consumers can be warned online against the risk imposed by a brand or company. Consumer research found that more than 50 percent of Canadian shoppers will not even walk into a store if they have heard something bad about it from a friend or family (Verde Group & Wharton University of Pennsylvania, 2019). Given the recognition that grudgeholding is extremely costly to business and industry, it is somewhat surprising that little has been reported about what it takes to reduce or reverse consumer grudgeholding. This can likely be attributed to the large body of consumer behavior and psychology literature, which suggests that because of biased assimilation, minimization of impact, and relative weighting of attributes (Fishbein & Ajzen, 1981), strong attitudes are resistant to change (e.g., Eagly & Chaiken, 1995; Haugtvedt & Petty, 1992; Petty & Cacioppo, 1986).

In the consumer behavior literature, Thota and Wright (2006) is one of the only studies that has theorized how grudgeholding can be diminished. Their study suggested that consumer grudgeholding could possibly undergo a change if the consumer is repeatedly exposed to factual and objective counterattitudinal information from credible sources. Given the lack of consumer behavior literature on weakening grudges, we turned to the institutional theory scholarship that has focused on altering actor's judgments. Building on concepts from the sociology of emotions (Turner & Stets, 2006), recent institutional works have suggested that emotion can alter actor's judgments and behaviors (Huy et al., 2014; Grodal & Granqvist, 2014) and motivate people's actions (Voronov & Vince, 2012). "Emotions" are feeling states that can be communicated verbally or behaviorally (Creed, Hudson, Okhuysen, & Smith-Crowe 2014; Huy, 1999; Huy, Corley, & Kraatz, 2014). Emotions, this scholarship argues, grab an audience's attention (Green, Babb, & Alpaslan, 2008) and dominate in assessments and decision-making (Keltner, Oatley & Jenkins, 2014). Additionally, emotional messages more effectively capture audience attention, enhance processing, and promote recall (Lefsrud, Graves, & Philips, 2015): We may forget the logical arguments in a message, but its emotional dimension will motivate us to remember and convince us of its credibility (Redlawsk, 2002; Konijn & Ten Holt, 2011; Konijn, van der Molen, & van Nes, 2009). Thus, an emotional connection should increase consumer's identification with the message (Grodal & Granqvist, 2014; Gray, Purdy & Ansari, 2015) and create a state of 'collective effervescence' (Durkheim, 1965). For example, Haidt (2003) and Wijaya and Heugens (2018) showed that appealing to moral emotions helped to motivate actors to take action to maintain, protect, and defend institutional values and practices. As well, Creed et al. (2014) and Toubiana and Zietsma (2017) showed how invoking strong emotions of hope, betrayal, and disgust helped to change perceptions.

Our study takes an in-depth look at the process of decaying grudgeholding. We concern ourselves with understanding the process a social movement organization – Agriculture More Than Ever (AMTE) – deployed in an attempt to weaken consumer grudges towards the Canadian agriculture industry. The time period that forms the focus of our analysis is 2012 – 2020. To briefly foreshadow our findings, our case empirically supports Thota and Wright's (2006) idea that consumer's grudges can be decayed by factual and objective information. We find that releasing a mix of objective information that presents the broader benefits of agriculture and refutes misinformation was the first step in the grudge-diminishing process. However, we find that the process involved in decaying grudgeholding is more complex than Thota and Wright (2006) originally theorized. Our study shows that the grudge-diminishing process also involves transforming actors into credible sources and building positive affect.

METHODS

Focal context. We addressed the above-noted research question by studying what has been happening within the Canadian agriculture industry. Canada is a world leader in agriculture and food production, but across the past 30 years the number of people actively spreading negative word-of-mouth communication about Canadian agriculture has increased. An online search yields disgruntled consumers expressing their negative perceptions about how farm animals are being treated, negative attitudes towards GMOs, complaints about the liberal use of unsafe pesticides, and criticism about farms being big bad corporations (Howard, 2015). With one click of a button, potential consumers can be inundated with YouTube videos that portray livestock producers as evil and diatribes against crop biotechnology (Vogt, 2013, p. 16).

Of especial significance for this paper is the previous attempts that have been initiated to reduce or eliminate these consumer grudges. Powerful agriculture companies, the scientific community, and government regulators have all attempted to combat these grudges by providing data and information to persuade the public that these grudges were misdirected. For instance, food companies had scientists criticize the Food Babe's ideas on food as pseudoscience and chemophobia and claim that "nothing she writes is evidence-based" (Food Science Babe, 2020). In response to attacks against glyphosate, Monsanto released hundreds of scientific and regulatory-based studies stating that glyphosate was safe (Lamphere & East, 2017). In sum, all this suggested to us that the Canadian agriculture industry represents an 'extreme example' (Stake, 2005) of a setting where consumer grudgeholding became prolific. By studying extreme cases, researchers can often gain a better understanding of the more regular cases (Yin, 1981).

Focal case. While there were numerous organizations attempting to combat consumer grudgeholding, we focused in on one particular organization called Agriculture More Than Ever (hereafter referred to as AMTE). We selected this organization because its key purpose was "to improve perceptions, dispel myths and create positive dialogue about Canadian ag" (Agriculture More Than Ever, 2017a), i.e., to decay consumer grudges against the industry. Second, because the data were easily accessible and available from the founding days up to the present time.

Agriculture More Than Ever is funded by the Canadian Government and Farm Credit Canada (FCC), Canada's primary financial lender to farmers, agri-food operations and agribusiness (a federal Crown corporation reporting to the Minister of Agriculture). Other partners are Agriculture in the Classroom, a not for profit, and Farm and Food Care: a national charity that receives funding from the Canadian Government, Canadian Canola Growers, Alberta Canola Producers, SaskCanola, John Deere and Dow. AMTE was established in 2012 and tasked with starting positive conversations about agriculture. Across the next six years, they posted videos, songs, blogs, webinars, 17,000 tweets, and thousands of Instagram and Facebook posts. By 2019, AMTE had over 95,000 people following them and promoting their posts.

Data Collection

We collected and analyzed the texts released by Ag More Than Ever between 2012, when AMTE was established, until 2020. Texts are symbolic forms of representation (e.g., documents, books, media accounts, interviews, speeches, committee reports, etc.) that are spoken, written, or otherwise depicted, thereby "taking on material form and becoming accessible to others" (Taylor, Cooren, Giroux, & Robichaud, 1996, p. 7). In our case, texts took the form of blogs, webinars, speeches, songs, and photos. In total we collected 118 blog posts, 1200 images, and 39 pages of transcripts. We imported all these texts into NVivo. NVivo is a qualitative data software program used to manage and analyze data. This became our primary data source.

Data Analysis

Our analysis followed established techniques and procedures for grounded theory building (Glaser & Strauss, 1967; Locke, 2001) and consisted of a series of steps. In the *first step* of the analysis, the text files were entered in to NVivo and then coded on the basis of "in vivo" words. These comprised phrases, terms, descriptions, and images that AMTE posted to improve perceptions and create positive dialogue revolving around decreasing consumer upset and avoidance. Such phrases and descriptions included facts that promoted the economic and social benefits of agriculture, images of children playing with farm animals, and stories about raising children on the farm. These formed our first-order codes. While assessing our initial texts we were

struck by the data and statistics being used in arguments as well as the highly emotive visual images. We noted that the statistics were interesting and relied on logic while the visual images touched us and triggered an emotional reaction. In abductive research, being struck by something in the data is part of “the firstness stage” (Atkins, 2006; Khachab, 2013), the initial stage of analysis where the researcher is appraising or getting a sense of the importance of an observation.

The *second step* of the analysis involved looking at the first order codes to determine if they could be collapsed into second-order themes or higher-level nodes. This was a recursive rather than a linear process; we moved iteratively between our first-order categories and the emerging patterns in our data until adequate conceptual themes emerged (Eisenhardt, 1989). For example, information like “97% of farms are family farms” and “since 1987 soil erosion has decreased 69% in corn production” we grouped into a node called “counterattitudinal information.” In the *third step*, we organized the second-order themes into the overarching dimensions that underpinned our theorizing. Three overarching themes emerged as key. The first theme was the issue of providing trustworthy information as a driver for encouraging consumers to rethink their attitudes and values; the second theme explored the transformation of farmers; finally, the third emphasized emotions. Figure 1 illustrates our final data structure, showing the categories and themes from which we developed our findings and the relationships between them. This figure contains representative first-order data, which underpin the second-order themes.

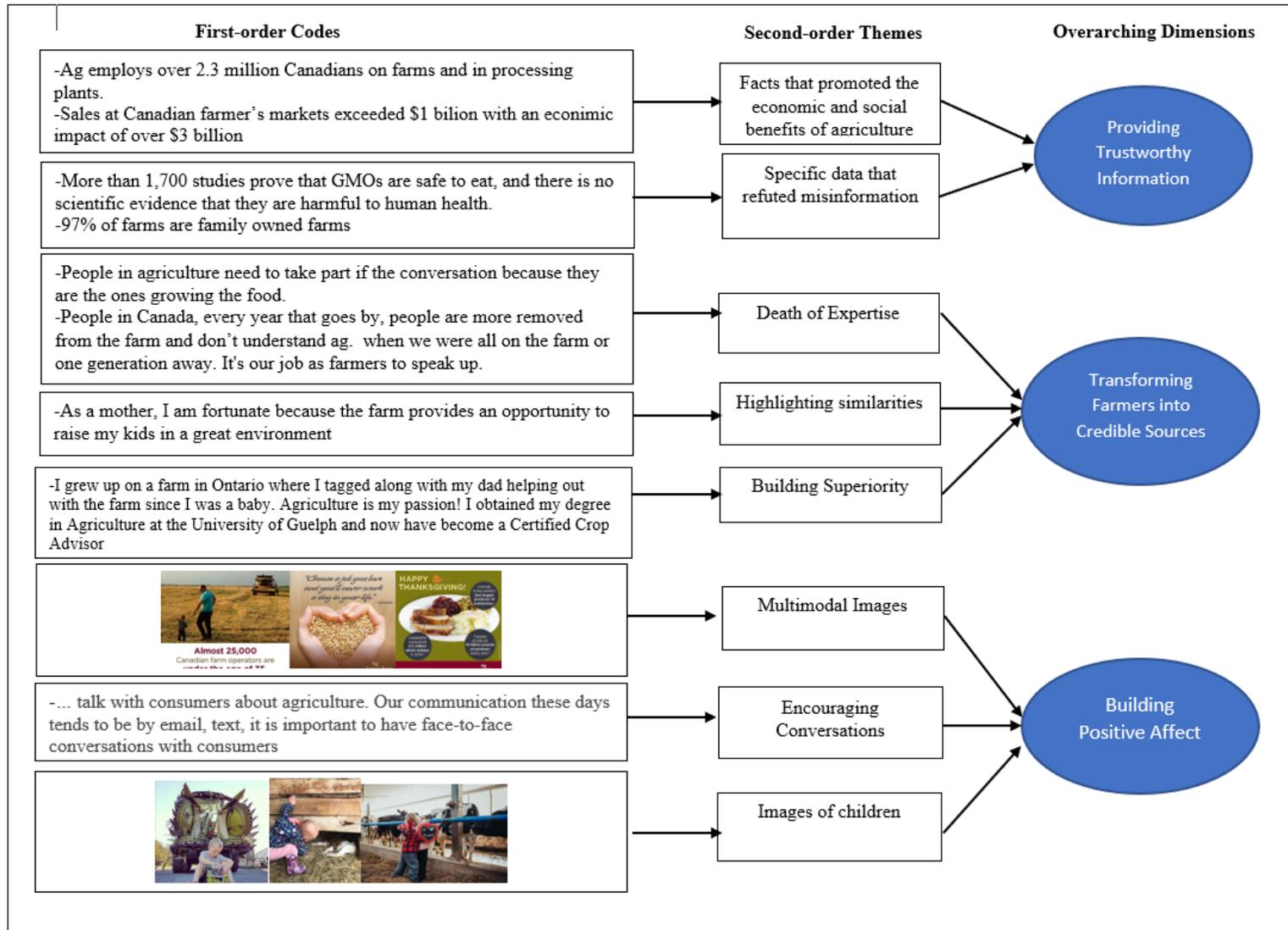
FINDINGS

The digital era has enabled the scale and reach of consumer grudges to increase exponentially and in so doing made the case for the need to understand how to diminish or reverse consumer grudges. Our findings illustrate that (1) releasing objective information, (2) transforming farmers into credible sources, and (3) building positive affect are key steps in the process of diminishing consumer grudges against agriculture. First and foremost, AMTE’s strategy rests on the repeated release of a mix of objective information. This information presents the broader benefits of agriculture and refutes misinformation. Next, AMTE transforms the image of farmers making them similar yet superior to urban consumers, which in turn increases their credibility and their role as ‘advocate’. Finally, AMTE built positive affect by developing multimodal texts, encouraging conversations, and releasing images of farm children. This helped to make consumers more emotionally invested in the message and consequently more susceptible to being convinced. Below we describe our findings in greater detail.

Credible Trustworthy Information

Our analysis suggests that the first step in decaying grudges involved releasing a complex mix of credible information. AMTE released texts that presented objective information about the benefits of modern agriculture. The view that agriculture was destructive and evil was countered by data that suggested farming was an important and beneficial industry. For example, facts and statistics were used in social media posts to highlight how Canadian farms were needed, how farmers help consumers save money, and the advantages farming provides to Canada’s economy:

Figure 1: Data Analysis Framework





Agriculture More Than Ever, 2017. Image used with permission.



Agriculture More Than Ever, 2017b. Image used with permission.

Other texts presented specific data intended to refute misinformation and decay consumers avoidance and negative attitudes. These claims were designed to expose consumers to factual and objective counterattitudinal information, for instance:

Fact: *The use of growth hormones in milk production is not allowed in Canada.*

Why this is important: *While some other countries have approved use of the growth hormone recombinant bovine somatotropin (rBST) to increase milk production, it is not approved for sale in Canada, and this has created confusion for consumers.*

Advocate message: *The standards for Canadian milk are among the highest in the world for safety and quality. Thanks to improved genetics and advancements in technology, Canadian dairy farmers have been able to increase milk production while still maintaining quality without the need for added hormones. (Everything you need to know about hormones, in one place, 2018).*

Myth: *GMOs are not thoroughly tested before being commercially available.*

Fact: *GMOs must undergo extensive testing before being approved for sale. As Health Canada states, “foods from genetically modified plants are subject to a far higher level of regulatory oversight and of scientific requirements than traditionally bred plants.”*

Truth: *Canada’s food system has strict standards for safety and quality. GMOs are certainly no exception to these standards and undergo more rigorous safety assessments than non-GMO varieties. It typically takes seven to 10 years of research, development, and testing before a GMO can be approved for sale in Canada. The science-based evaluation process ensures that approved GMOs are safe for humans, animals, and the environment. (Dispelling myths about GMOs, 2018)*

Transforming Farmers Into Credible Sources

The texts outlined in the previous section created a body of facts and statistics. As noted, this collection of facts and data presents numbers that are sound and logical and back up the idea that consumers should support Canadian agriculture. However, as Thota and Wright (2006) suggested, facts and figures on their own are not very persuasive. In order to be persuasive, the message needs to come from a credible source (Thota & Wright, 2006). When it came to the agriculture industry, everyday consumers were rejecting the validity of data and information from sources within the scientific or business community. For instance, when food companies had scientists criticize the Food Babe’s ideas on food as pseudoscience and chemophobia and claim that “nothing she writes is evidence-based” (Food Science Babe, 2020), the amount of Food Babe followers remained largely unchanged (Purvis, 2014). And, Monsanto’s attempts to have experts correct misinformation led to a flurry of consumers and consumer groups claiming that Monsanto was “greenwashing” (exaggerating facts and lying) (e.g., ASEED, 2016) and “ghostwriting” independent reviews of its products (e.g., Buyniski, 2020). Moreover, a report from the National Academies of Science, Engineering and Medicine highlighted how the consensus among scientific experts in the United States was not translating down to the consumer: While the scientific experts reported that GMs were safe, only 13% of consumers reported that they thought that GM foods were nontoxic. These examples point to “the death of expertise” (Nichols, 2017) - people increasingly rejecting the validity of experts within the scientific or business community.

AMTE noted this death of expertise phenomenon but believed that farmers might be able to become credible sources that could influence the beliefs and attitudes of consumers. Our

analysis shows how AMTE initiated a series of strategies designed to position farmers as trustworthy and credible sources of information. First, they worked to highlight similarities between farmers and the consumers that were questioning them. AMTE introduced farmers as parents, environmentalists, and everyday people struggling like the rest of us, rather than as scientists or business people. Many texts released by AMTE focused on how farmers were “regular moms working to raise their children,” and “proud fathers teaching their children.” One video opened with this:

Hi, I'm Lyndsay Smith, and I'm a mother, a consumer, and an advocate for the Canadian beef industry. This is my beautiful daughter, Madison. Like many parents, my concerns include providing a nutritious balanced diet, as well as ensuring my daughter grows up in a healthy, safe environment. When I think of the 83,000 Canadian beef producers, I realize that there are a lot of similarities between my concerns as a parent and their concerns as a beef producer. Canadian beef producers are also concerned with raising healthy, safe Canadian beef. (Smith, 2012)

AMTE also released texts that highlighted farmers as citizens concerned about the environment.

And I think it's really important that people know that we are the stewards of the land. We love the land that they graze, we love the cattle and we are conscious of the fact that we need to fulfill feeding the world a high nutrient dense protein. And that's what we do.

CleanFARMS is best known for operating its successful empty pesticide and fertilizer container program. Since 1989, over 100 million containers have been collected at 1,000 collection sites across the country. (Timmer, 2015)

Moreover, AMTE posted messages that showed people that farmers and consumers were more similar than different. For example, one post shared about “Farmer Tim”, an Ontario dairy producer who occasionally struggles with his mental health. Tim’s stories about daily life on his farm including how he is feeling and how farming affects his mental health has more than 40,000 followers. Tim states: “I share that I’m a consumer, too. I go to the grocery store and I have a family and I have good days and bad days” (Connecting with others through our mental health stories, 2018). Repeated posts like these helped to create similarities and gain consumer trust by showing people that consumers and farmers are much more the same than different.

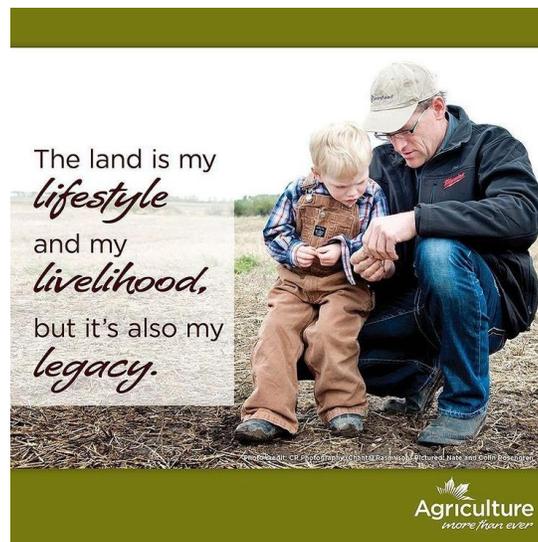
In addition to highlighting similarities, AMTE built the superiority of the farmers. AMTE noted how farmers were superior sources of information because they were embedded in the life and often had been for many generations. Additionally, many texts referenced the farmer’s additional credentials such as certified crop advisor designation, agriculture degrees, and advanced agricultural courses. For instance:

Education is really important in agriculture and particularly on our farm. We both have a university degree in Agriculture Science. It's given us the ability to think critically in a way that we didn't before and expose us to new experiences and people that could help us advance the farm. (Pedrick, 2012)

Building Positive Affect

Thus far we have argued that providing credible information and transforming farmers into credible sources are key to combatting and decaying consumer grudges. The data excerpts presented above show how AMTE followed Thota and Wright's (2006) suggestion about having credible sources provide trustworthy information. AMTE also engaged in an additional strategy, they worked to build positive affect. The goal behind Ag More Than Ever was *"to improve public perception of our industry so ag can attract the people, investment and public trust it needs to reach its full potential. While this goal is admirable, how do we, as an industry, achieve it? People's perceptions won't change just by us asking them to – we need facts to back up why they should appreciate what ag brings to the table. But facts and figures on their own don't work either – people also need to make an emotional connection to something to truly appreciate it."* Specifically, our analysis suggests that AMTE helped to build positive affect by releasing multimodal images, encouraging conversations, and posting many images of children.

First, our analysis reveals that AMTE posted multimodal messages (texts that combined words and images). These multimodal images were both verbal and visual and made readers cognitively process the information in order to comprehend the message. Neither the text nor the image alone communicates the meaning. However, the element of surprise inherent in the combination contributes to the message's emotional appeal, for instance:



Agriculture More Than Ever, 2016. Image used with permission.



We all live off the land.

Let's work together to find
common ground.



Agriculture More Than Ever, 2016a. Image used with permission.

“We have not inherited the earth
from our fathers; **we are borrowing
it from our children.**”
– Lester Brown



Agriculture More Than Ever, 2016b. Image used with permission.

Images like these demand audience attention because some thought and effort is required to decipher the message. This, we suggest, makes readers more emotionally invested in the message and consequently more susceptible to being convinced. Since unraveling meaning gives pleasure (Lefsrud, Graves, & Phillips, 2017), consumers are more likely to be seduced by these meaning constructions.

In addition to the emotional resonance created by multimodal images and pictures of children, AMTE released texts that encouraged farmers to start conversations because conversations become meaningful. AMTE noted how communication these days tends to be by email, text messaging or social media. “*But it’s difficult to truly understand another person’s*

concerns when they are not actually physically present. It can be tempting to be impolite or rude. Worse, we are unable to empathize with the other person's situation. When engaging consumers in face to face conversations about food, something magical happens – it makes it much easier for us to share our experiences and feelings” (Before the Plate, 2018). Yet, AMTE was careful to try and balance the idea that farmers should be having conversations and teaching consumers about agriculture with the message that it was important not to lecture. Notable, in the data, were a number of instances where AMTE asked farmers to temper their desire to lecture. For instance:

There is a difference between starting a conversation with “I love ag because....” Versus “You should love ag because...” The first choice moves the dialogue from telling to sharing, and when we share, we're inviting people in. Several of my farmer friends have mentioned lately in their Facebook status, “If you ate today, thank a farmer”, and I get where they're coming from but I have a slightly different message to share. If you take time to look for “made in Canada” or the “little blue cow” on the food you put into your cart at the grocery store, THANK YOU for being our customer. By intentionally selecting groceries made domestically you are supporting Canadian Agri-businesses, many of which are small family-run businesses like the one I work on. So, don't worry about thanking me, I thank you for being my customer. Thank you for looking for Canadian product on the store shelf. (Giving Thanks, 2014)

On top of using multimodal images and promoting face-to-face conversations, AMTE also used pictures of children. It has been shown that readers tend to give greater attention, are pleased by, and more motivated to process those messages that contain visually arresting images (Mothersbaugh, Huhmann, & Franke, 2002; Toncar & Munch, 2001; Lerner & Keltner, 2000). A comparison of the Instagram posts released during the same period of time showed that posts that featured children received on average over 2.2 times more “likes” than posts that presented facts, statistics, or pictures of adults. This, we argue, suggests that consumers emotionally identified with the images of children and helped AMTE's message to get noticed. AMTE posted many images of children. For example:



Barstownmiller, 2019. Image used with permission.



Lazymbarranch, 2018. Image used with permission.



Samantha Piersma, 2018. Image used with permission.

DISCUSSION

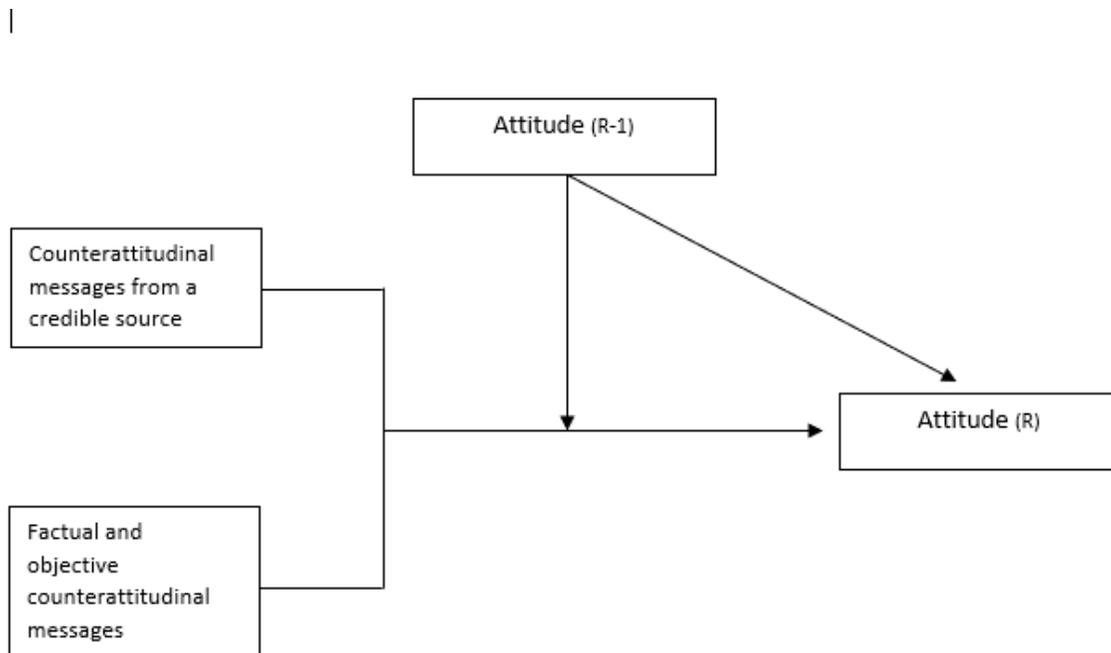
This study was motivated by the desire to address an important shortcoming that we had noticed in the consumer behavior literature; notably, the limited empirical research conducted to date on the process involved in reducing or reversing consumer grudges. We studied the social organization called AgMoreThanEver and uncovered the process involved in diminishing grudges. First, they released texts that presented objective information about the benefits of modern

agriculture and exposed consumers to factual counterattitudinal information. Second, AMTE initiated strategies that helped consumers perceive farmers as credible sources worthy of listening to when forming their opinions about Canadian agriculture. Third, AMTE built positive affect by releasing multimodal images, encouraging conversations, and posting many images of children. We will elaborate the contributions, implications, limitations, and future directions suggested by these findings.

Contributions

First and foremost, our study contributes to the grudgeholding literature. Thota and Wright (2006) noted that “grudgeholding and avoidance can be quite costly to business and industry [and] it would be in their best interests to understand the process by which grudgeholding can be reduced” (p. 96). However, until now, relatively little attention has been given to the process of decaying grudgeholding even though it is of growing importance in a practical sense. Specifically, consumer grudgeholding and consumer retaliation are highly relevant given the ubiquity of social media in the Digital Era (Lau, 2003). By empirically exploring a case of grudge decay, we extend upon Thota and Wright’s (2006) theory.

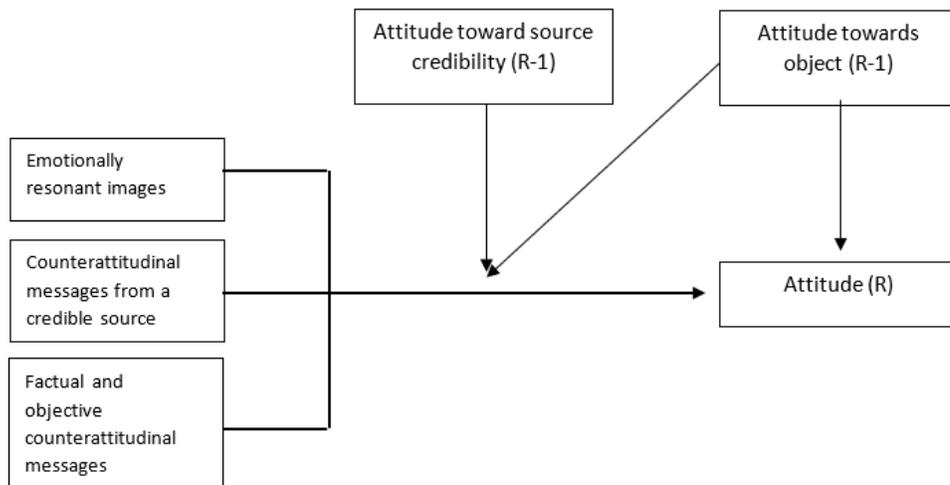
Figure 2: Thota & Wright’s (2006) Original Framework



We, like Thota and Wright (2006), find that having credible sources provide trustworthy information is a key step in the grudgeholding decay process. However, while Thota and Wright (2006) contended that “if a message originates from an expert or objective source, that message influences beliefs more than the same message from a non-expert source” (p. 93), the world has changed since the Thota & Wright (2006) article. Since the Thota and Wright (2006) article, trust in traditional media sources has declined precipitously (Gottfried & Liedke, 2021). Additionally, more consumers obtain their news from social media sources (Walker & Matsa, 2021). Specifically

in Canada, surveys show that Canadian consumers trust in mainstream media has declined and now more than half of Canadian respondents get their news from social media (Bricker, 2021; Edelman, 2021; Reuters & Oxford, 2020). As trust in experts has declined, so has trust in people (Rainie & Perrin, 2019), but as AMTE found, there are ways to bridge that gap and improve source credibility. Specifically, our analysis suggests that AMTE created new “experts”, in this case farmers, who were able to connect with consumers through stories. They created resonance with the consumers and established trust about their own credibility as farmers and as people who care about the welfare of their farmland and families¹. They were persuaded because AMTE made farmers both similar and superior to the everyday consumer, thus making claims more intuitively persuasive.

Figure 3: Modification to Thota & Wright’s (2006) Framework



Additionally, our study extends Thota and Wright’s theorizing by adding the importance of ‘emotion work’ (cf. Hochschild, 1983) - work that evokes (provoking a desired feeling which is initially absent) or suppresses (minimizing an undesired feeling which is initially present) emotion (e.g., Creed et al., 2014; Sadeh & Zilber, 2019; Toubiana & Zietsma, 2017). While emotion has been studied by micro-level organizational behavior scholars (see Lerner et al., 2015), it has received less attention in the consumer grudgeholding literature. Yet our study suggests that it is influential; emotion “persuade[s] when the facts alone do not” (Katula, 2003, p. 9). Emotion grabs an audience’s attention (Green, Babb, & Alpaslan, 2008) and dominates in assessments and decision-making processes (Keltner, Oatley & Jenkins, 2014). However, while our study suggests that emotional resonance is key, our study also suggests that emotional resonance on its own is not sufficient. AMTE built both cognitive and emotional resonance. Furthermore, our case supports

¹ A CCFI 2019 report shows that 71% of Canadians hold farmers and producers responsible for providing credible information.

and extends Goodrick, Jarvis, and Reay's (2020) finding that persuasion involves incorporating different emotions into rhetorical appeals over time. However, while Goodrick et al. (2020) found that attempts to persuade involved invoking fear, hope, and shame, in this AMTE case pride, gratitude, love, and fear were the dominant emotions.

Furthermore, we provide insights that are potentially beneficial to practice. Abductive research involves "suggesting that something may be" (Taylor, Torugsa, and Arundell, 2018, p. 209) and thus we suggest that AMTE was effective for a number of reasons. First, we observed that AMTE used many visual images and multimodal messages, especially in the later years of our study. Kids playing in mud puddles, babies tucked in to the corner of the combine, family meals being held out in the fields are all examples of the images, posted by AMTE, which received many likes, heart emojis, and comments like "*we love our farmers.*" These images ushered into the public realm aspects of farm life that are hidden away, habitually ignored, or routinely disconnected from urban consumers. These images evoked emotions which altered the propensity of consumers to listen to farmers and accept facts and information they presented as credible. The emotional component of these images gave them greater impact and persuasive potential than solely word-based ones (Adesope & Nesbit, 2012; Rosch, 1975; Sojka & Giese, 2006). Moreover, the texts AMTE released were nuanced, the consumer had to make an effort to decipher the message. This, we propose, made consumers become more emotionally invested in the message and more susceptible to re-examining their beliefs and attitudes (Olson & Goodnight, 1994). However, the texts were not too complex or dissimilar to readers. AMTE was careful to balance nuance and subtlety against the risk of the consumer failing to decipher the message and subsequently rejecting the possibility of being persuaded.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

As with any piece of research, the study described in this article is not without limitations. One limitation is that the findings derive from an 'extreme case' (Stake, 2005) of grudgeholding characterized by unique contextual elements. We can not say whether our findings are generalizable. Unlike other industries, a century of change had moved us from a society where more than 50% of members were directly connected to a farm to a society where less than 2% are (Farm & Food Care, 2017). Agriculture is an industry that few consumers understand or are directly connected to. That being said, we contend that our proposed extension to Thota and Wright's (2006) framework is not applicable only within the agriculture industry. Indeed, the fast pace of change and advanced technologies that are now a part of most industries is decreasing all consumer's understanding of these industries. This suggests that our findings are likely to be informative for other industries. Further, we suggest that this process may actually be easier to apply to other industries. Creating new "experts", evoking specific emotions, and altering the propensity of individuals to accept facts and information as credible is likely to be quicker and easier in industries in which the grudges are less extreme. This, of course, needs to be further tested.

Another limitation pertains to the issue of whether the process we uncovered (1) releasing objective information, (2) transforming farmers into credible sources, and (3) building positive affect is actually decaying consumer grudges on a large scale. While AMTE's posts were replete with claims that farmers engaging consumers in conversation was helping to change consumer's perceptions and convince them that agriculture was a safe and sustainable industry, we can not present quantitative evidence that consumer resistance has been overcome in a statistically significant manner. Empirical work that explores the change in the overall percentage of posts that

are negative, as compared to positive, would be an interesting study. Adding to this, another limitation pertains to the issue of whether all three steps in the process are necessary and sufficient for grudges to decay. Due to our methodological choices, it is not possible for us to determine whether all of three steps must be present. Perhaps one of these steps is more crucial than others? Comparative work of this nature constitutes an important direction for future research.

We also feel that an interesting future extension would be to approach from the perspective of the consumer. Does/how does the consumer's prior beliefs, attitudes, and experiences impact grudgeholding decay? Dalrymple (2021) provides an interesting framework for thinking about individual beliefs. His graphic of an informational world depicts one half of the globe as an information curve with more trusted sources located in the center and less likely to be questioned. These trusted sources may include people, communities, authorities, and media. Less trusted sources appear further out from the center and require more persuasion to be convinced by them, whereas sources outside of the curve are deemed untrustworthy (Dalrymple, 2021). The other half of the globe depicts a plausibility curve where central and more believable are claims that "conform to what an individual experiences, already believes, and wants to believe" (Dalrymple, 2021). These require the least amount of evidence before being trusted, similar to the biased assimilation and attribute weighting discussed in the resistance to persuasion portion of Thota and Wright's (2006) article. As we addressed aspects that affect perception of source credibility, future researchers could delve into consumer side facilitators and barriers to overcoming avoidance and grudgeholding behaviors. For example, how do their beliefs about the industry, company, product or brand affect grudgeholding decay? Or, do Porter's Five Forces play a role – that is, if a consumer is more readily able to find a substitute, is it harder to decay their grudgeholding than if they have few alternatives? Thota and Wright's (2006) model notes that the change in attitude also relies on the initial attitude of the grudge holder and reviews some of the literature on resistance to persuasion due to people perceiving information in line with their prior attitudes (pp. 92-93). Is the resistance of these attitudes to change based entirely on the strength of said attitude or do other factors facilitate grudgeholding decay, such as personality (e.g. Haugtvedt & Petty, 1992)? Recent research using the Elaboration Likelihood Model (Petty & Cacioppo, 1986) provides some additional avenues to explore in relation to changing attitudes, attitude strength, and attitude-related behaviors (Susmann et al., 2021).

Finally, we extended the consumer grudgeholding decay process by suggesting that it also involves building credibility and positive affect. Yet, with our data, we are not able to say how long this process takes. Nor, are we able to suggest how many multimodal images or images of children need to be viewed, or how many conversations need to take place, before a consumer's negative attitudes are diminished. Future research could usefully examine the process over time and analyze the amount of images and conversations that need to be viewed and engaged in before attitudes change.

CONCLUSION

While hard to measure, many suggest that the dollar loss to the industry as a result of "grudges" against the Canadian agriculture industry have been fairly significant. The ag industry's success depends first and foremost on consumer satisfaction, which is the telos, or ultimate goal of marketing strategy (Larsen & Wright, 2020). Happy consumers buy more; unhappy consumers stop buying. Not only that, they also voice their opinions, influencing the purchasing choices of others. Thus, it is of crucial importance to develop theory about what influences consumer satisfaction and dissatisfaction. Previous research on grudgeholding focused on how credible and

factual counterattitudinal messages can decay grudgeholding. But, as trust in traditional information sources has declined and the use of social media as a primary news source has increased, source credibility has become more subjective. Social media has become a platform where consumers look for information. This case study of AgMoreThanEver provides insights for how companies and organizations can use images and stories to elevate credibility and create resonance with consumers. It also delves more into how social media can invoke positive emotions to change consumer attitudes. Together, these strategies add more granularity to Thota and Wright's (2006) grudgeholding decay framework.

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A COMPREHENSIVE MODEL OF BRAND LOVE/HATE

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ABSTRACT

This paper proposes a conceptual model of consumer–brand relationships by identifying antecedents and outcomes for brand love/hate. Antecedents include consumer’s self-identity (CSI) (i.e., individual factor) and the corporation’s moral values (CMV) (i.e., contextual factor), respectively, as well as the interaction effect of CSI and CMV. Outcomes encompass three behavioral consequences of brand love (hate) including brand loyalty/avoidance, positive (negative) word of mouth (WOM), and brand repurchase/retaliation. Our proposed conceptual model uniquely relies on one unifying construct for brand love/hate.

INTRODUCTION

Brand love and brand hate have become critical topics in the past few years among practitioners in marketing. However, the existing conceptualization remains sporadic due to the myriad theories that attempt to explicate the relationships between consumers and brands. In marketing research, this notion was initiated by Shimp and Madden (1988) based on Sternberg's (1986) triangular theory of interpersonal love from psychology. The most prevalent theory to demonstrate consumers' love for brands is Sternberg's triangular theory, which maintains that different types of love are generated through a hierarchical combination of passion, intimacy, and decision/commitment. The initial and less problematic aspect is passion because it is easily transformed into consumers' allure towards brands. Intimacy, as the second element, refers to feelings and thoughts originated from the experience of closeness in loving relationships. The final aspect is decision/commitment, which is more germane to behavioral outcomes of love.

In the triangular theory of interpersonal love, Sternberg (1986) describes commitment as a perceived normative and moral obligation to maintain the relationship even in the face of a better option. Additionally, respondents may be resistant to negative information about their loved brands. Specifically, we define brand loyalty as the degree to which the consumer is committed to repurchase of the brand. Love and hate are psychologically related to one other, which may be seen in cases where loving relationships become hateful. Sternberg's conceptualization of the triangular theory of interpersonal love (1986) or hate (2003) maintains that both have analogous but opposite behavioral outcomes.

Academic research on brand love and brand hate is substantial (Thomson, MacInnis, and Park, 2005; Merunka and Florence, 2008), and various studies have attempted to determine the antecedents and consequences of brand love and brand hate. Fournier (1998) developed the notion of the consumer–brand relationship as an anthropomorphic, or human-like, concept (conceptual foundation for the dynamics of consumer–brand interactions). She explicates in her seminal paper an elaborate typology for consumer–brand relationships, paying specific attention to relationship

quality and its effects on stability. Relationship quality originates from an amalgam of love- and experience-based dimensions, including love/passion, intimacy, and interdependence. Park, Eisingerich, and Park (2013) extend Fournier's idea by presenting a unifying conceptual model of consumer-brand relationships that identifies the determinants of the unique relationships among consumers and brands. However, they considered brand love and brand hate as temporary emotions. In short, previous studies regarding brand love/hate have experienced three limitations.

First, they do not consider all positive and negative emotions, attitudes, and cognitive responses toward brands, and thus only focus on negative or positive dimensions. Consumers have different relationships with their brands (Fournier, 1998). Whereas some may feel love for their brands, others may be indifferent toward them, and still others may even have significantly negative attitudes toward certain brands (Khan and Lee, 2014). Consequently, a comprehensive and unifying conceptual model that considers the positive and negative side of consumer-brand relationships simultaneously is required.

Secondly, some academics apply the framework of interpersonal love or Sternberg's triangular theory (Albert, Merunka, and Valette-Florence, 2008; Albert and Valette-Florence, 2010; Thomson, MacInnis, and Park, 2005; Whang, Allen, Zhang, Sahoury, Kahn, and Frances Luce, 2004) and others advocate one-way (Bergkvist and Bech-Larsen, 2010) or parasocial approaches (Fetscherin, 2014). As a third alternative, the grounded theory approach has been proposed to study consumer-brand relationships, emphasizing the importance of the phenomenological experience in consumer-brand relationships (Batra, Ahuvia, and Bagozzi, 2012; Madadi, Torres, Fazli-Salehi, and Zúñiga, 2021).

Therefore, in this research, brand love/hate is conceptualized based on the combination of three lenses, an approach that supports the developmental relationship from love to hate and vice versa and is contingent upon match (mismatch) effects of identity and values of consumers with the identity and values of corporations. Thus, considering only interpersonal relationships or parasocial aspects is unlikely to explain all characteristics of brand relationships, and it seems necessary to develop a construct that encompasses all positive and negative feelings towards a brand.

Third, there is developing research on brand hate (Grégoire, Tripp, and Legoux, 2009; Zarantonello, Romani, Grappi, and Bagozzi, 2016), brand betrayal (Grégoire and Fisher, 2008; Grégoire et al., 2009; Reimann, MacInnis, Folkes, Uhalde, and Pol, 2018) and brand aversion (Park, Eisingerich, and Park, 2013). However, our understanding of how they relate to brand love (and more importantly, how they evolve over time) remains limited. To address this research lacuna, this paper proposes a conceptual model of consumer-brand relationships. More specifically, we identify antecedents including contextual (corporation's moral values), individual aspects (consumer's self-identity) and their interaction (corporation's moral values x consumer's self-identity), as well as consequences of brand love/hate. Figure 1 represents the nomological model of brand love/hate we developed.

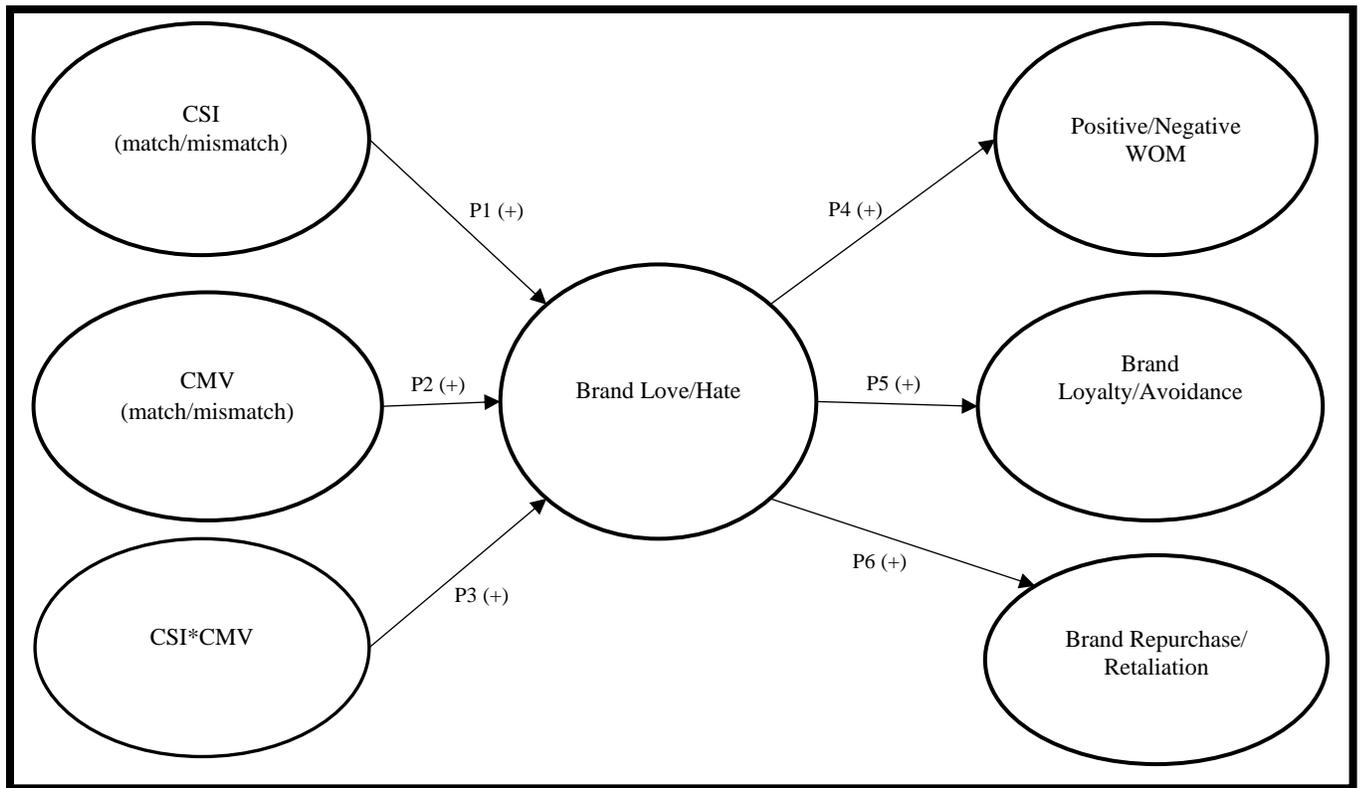
To develop a comprehensive model of brand love/hate, we review the current literature on consumer-brand relationships, exploring the theoretical background of brand love/hate. We then investigate the consequences for the brand love/hate construct that have been explored in the existing literature. Please see Table 1 for a summary of the literature.

THEORETICAL BACKGROUND

To understand consumer-brand relationships, it helps to uncover the psychological self as an individualized identity of every person. Its framework contains memories about one's past and

present experiences as well as future plans and goals. Our research study will use the self-concept theory to develop its theoretical view of consumer–brand relationships (Markus and Nurius, 1986). This theory explains how a person could expand the self through acting and thinking as if aspects of the other (in our case, a brand) relate partially to the person's own aspects. When this overlap is increased, people feel more positively about the relationship (Park et al., 2010; Thomson et al., 2005), and they could then develop love towards a brand (Batra et al., 2012). On the other hand, we could expand the self-concept theory to a negative realm—when less overlap between a person and their external concept exists, negative feelings could emerge (Hegner, Fetscherin, and van Delzen, 2017). Consumers' brand relationships can be negative for various reasons, including a

Figure 1: Conceptual Model



Note: CSI = consumer’s self-identity and CMV = corporation’s moral values

brand not meeting the individual’s needs (e.g., poor-quality products), its connection with unfavorable groups (White and Dahl, 2007), and an unclear brand image that does not reflect consumers’ values, morals, and standards (Hogg, Banister, and Stephenson, 2009). In addition, a previously positive consumer–brand relationship can turn negative with anti-brand behaviors (Johnson, Matear, and Thomson, 2010) or brand enmity. Brand enmity is defined by Fournier (1998) as an “intensely involving relationship characterized by negative affect and desire to avoid or inflict pain on the other” (p. 362). The brand relationship could vacillate in the minds and hearts of consumers and go from positive to negative and vice versa (Park et al., 2013). Hence, our present research will consider all positive/negative feelings and attitudes in one unique construct.

Table 1: Literature Review of Brand Love/Hate

| Publications | Theoretical Framework | Contributions |
|-----------------------------------|--|--|
| Sternberg, 1986 | Interpersonal relationship | Expanding inter-personal love/hate from psychology into the marketing literature |
| Thomson, MacInnis, and Park, 2005 | Interpersonal relationship (Love/hate as transient emotions) | Develops a new measure reflecting the strength of consumers' emotional attachments to brands |
| Carroll and Ahuvia, 2006 | Interpersonal relationship | Explores consumer loyalty and positive WOM with and without brand love. |
| Park, Eisingerich, and Park, 2013 | Interpersonal relationship (Love/hate as transient emotions) | Proposes a conceptual model of customer-brand relationships that classifies the determinants of the unique relationships among consumers and brands. However, they considered brand love and brand hate as temporary emotions. |
| Albert and Merunka, 2013 | Interpersonal relationship | Explores the relationship between brand love, brand trust, brand identification, and brand commitment using a multi-dimensional approach. |
| Langner et al., 2016 | Interpersonal relationship | Compares and contrasts the emotional nature of brand love and interpersonal love, as well as differentiates brand love from other similar constructs including brand liking, and interpersonal liking. |
| Zarantonello et al., 2016 | Interpersonal relationship | Conceptualizes brand hate as a collection of negative emotions which is significantly related to different negative behavioral outcomes, including complaining, negative WOM, protest, and retaliation. |
| Fetscherin, 2014 | Parasocial relationship | Proposes parasocial relationship theory as an alternative for testing consumer-brand relationships. |
| Batra, Ahuvia, and Bagozzi, 2012 | Grounded theory approach | Conceptualization of comprehensive model of brand love based on a grounded theory approach. |
| Bagozzi, Batra, and Ahuvia, 2017 | Grounded theory approach | Develops a more practical and parsimonious brand love scale adapted from Batra, Ahuvia, and Bagozzi (2012). |
| Madadi et al., 2020 | Grounded theory approach | Investigates the effect of targeted advertising on brand love with mediation effect of perceived similarity. The structural equation modeling (SEM) results also supports the efficacy targeted ads for developing brand love and increasing brand loyalty and positive word-of-mouth (WOM). |

CONCEPTUAL MODEL DEVELOPMENT

Conceptualization of Brand Love/Brand Hate

Consistent with the literature (Ahuvia, 2005), brand love encompasses a passion for, attachment to, positive evaluation of, positive emotions in response to, and assertions of love for the brand. On the other hand, Fehr and Russell (1984) categorize hate as the second most important emotion after love. In the marketing and branding literature, Zarantonello et al. (2016) provide a comprehensive review of the hate literature. The authors maintain that hate is comprised of primary and secondary emotions and specifically examine which emotions consumers have when they develop brand hate. As such, conceptualizing brand love relationships follows the idea that consumers will have a positive relationship toward a brand when that brand is compatible with their feelings, desires, and goals. On the other hand, this relationship could be negative if the person concludes that a brand is not compatible or perceives it as a threat. To summarize the conceptualization of brand love/hate, we categorize all frameworks into three main frameworks.

First, interpersonal relationships come from the triangular theory of interpersonal love, which incorporates intimacy, dreams, pleasure, memories, unicity, affection, and passion, whereas brand hate is conceptualized as the most intense negative emotion that consumers may feel towards brands (Zarantonello et al., 2016). Yet the limitation is that consumers tend to speak loosely when using the word love or hate in reference to commercial products. As such, many instances of brand love will not be fully analogous to the stronger forms of interpersonal love/hate (Ahuvia, 1993; 2005b; Oliver, 1999; Shimp and Madden, 1988).

Secondly, parasocial relationships entail a one-sided form of relationship in which one party holds unreciprocated emotions towards the other party in a relationship dyad (Fetscherin, 2014). The term parasocial relationship was established by Perse and Rubin (1989) and originated from parasocial interaction (Horton and Richard, 1956). Moreover, cognitive psychology supports this notion and maintains that the brain processes brand versus interpersonal relationships separately (Yoon, Gutchess, Feinberg, and Polk, 2006).

Third, the grounded theory approach has been proposed to study brand love, emphasizing the importance of the phenomenological experience in consumer–brand relationships (Batra et al., 2012). To enrich the literature with a third theoretical framework, Batra et al. (2012) suggest a grounded theory approach to examine consumer–brand relationships that is based on how consumers develop their relationships with brands on a phenomenological level. Batra et al. (2012) encourage scholars to consider a broader scope of analysis to move beyond the narrow lens suggested by interpersonal theories.

Parasocial framework considers brand love and brand hate to be opposite extremes of the brand relationship. In contrast, the experiential and triangular framework maintains that the change from one end to the other is also possible over time (Palusuk, Koles, and Hasan, 2019). In this paper, we conceptualize brand love/hate as an amalgam of all existing theories. We also advocate the process of transforming love to hate and vice versa is based on the match/mismatch of the identity and values of consumers with the identity and values of the company.

Finally, the current research conceptualizes the brand love/hate concept as an inconstant phenomenon, subsequently confining our understanding of the evolution and developmental essence of consumer–brand relationships. Only the study by Langner, Bruns, Fischer, and Rossiter (2016) has addressed consumer–brand relationships from a developmental perspective.

Individual Factor: Consumer's Self-Identity

Self-congruity refers to “the match between consumers’ self-identity and a brand’s identity” (Sirgy, Lee, Johar, and Tidwell, 2008, p. 109). According to Mazodier and Merunka (2012), consumers are inclined to evaluate brands in terms of the fit between their own identity and their symbolic values. Brands that enable consumers to act on behalf of their actual or ideal identity result in stronger emotional and cognitive bonding with that brand (Carroll and Ahuvia, 2006).

Consumer self-identity relates mostly to the match-up between an individual’s identity and a brand. Self-congruity research has definitively recognized a positive relationship between congruity (incongruity) with a brand and building a positive (negative) relationship with that brand (Kressmann, Sirgy, Herrmann, Huber, Huber, and Lee, 2006). Khan and Lee (2014, p. 330) state that “consumers have the tendency to buy those brands with images congruent to their self-concepts or those that will give desired meaning to their lives”. Conversely, Zarantonello et al. (2016) classify the incongruity between a brand and consumers’ identity as a caste system and identify it as a possible antecedent for brand hate, with Carroll and Ahuvia (2006) identifying congruity with a brand as an antecedent of brand love. Hence, congruity (incongruity) between brand meanings and the consumer’s sense of self could lead to a positive (negative) relationship with the brand.

Individuals deliberately avoid brands that are against their personal identities, personalities, or cultural values (Grubb and Grathwohl, 1967; Escalas and Bettman, 2005). According to the literature, the desired (undesired) self (Ogilvie, 1987) is the psychological construct that is most related to brand love (hate). As Lee, Motion, and Conroy (2009, p. 174) argue, “dis-identification theory suggests that people may develop their self-concept by dis-identifying with brands that are perceived to be inconsistent with their own image”.

Park et al. (2013) refer to the idea of individual congruity (incongruity) with a brand as enriching (impoverishing) the self and self-identity. They maintain that the critical aspect of the “enriching-the-self” aspect is to please the spiritual self by symbolically representing one’s past, present, or ideal future self internally and/or externally (Markus and Nurius, 1986; Escalas and Bettman, 2005). In brief, when a brand fits internally with the self or expresses externally an individual’s desired self and strengthens cultural values, expectations, and personality, that brand gives symbolic pleasure - it enriches the self and leads to a positive brand relationship. However, when a brand does not match a consumer’s desired values, it strongly opposes that individual’s identity and leads to adverse reactions (Johnson et al., 2011). This leads to our first proposition.

Proposition 1: *The match (mismatch) between consumer’s self-identity and the corporation has a positive effect on brand love (hate).*

Contextual Factor: Corporation’s Ethical Values

Many marketers have conducted analyses of distinct corporate ethical codes that mirror their core values and shape corporate image (Tran, Nguyen, Melewar, and Bodoh, 2015). These codes are developed by the top managers, but those values are usually consistent irrespective of a change of leaders. In reality, marketers tend to simultaneously align the distinct corporate values of their organizations with consumers’ values. They are not limited, however, to consumers’ values, but encompass multidimensional associations of other stakeholders’ values.

Corporate internal values, as projected through corporate actions, may influence consumer perceptions about the company. Similarities and differences in perceptions influence consumer relationships dramatically (Zarantonello et al., 2016). As such, different environmental factors such as legal, social, or moral corporate actions could lead to negative

(positive) brand relationships (Zarantonello et al., 2016). The literature shows that unethical (ethical) company actions, such as deceptive (genuine) communication, lead to negative (positive) feelings toward the brand. We label these factors as ethical values that encompass all societal or ethical factors related to a company. In contrast to the other two determinants, this one involves company-related reasons such as marketing strategy, store environment, the entire industry, employees and CEOs, and any ethical issues that could affect consumer–brand relationships (Lee et al., 2009b). Thus, we derive our second proposition:

Proposition 2: *The match (mismatch) between the corporation’s moral values and the consumer has a positive effect on brand love (hate).*

Interaction Effect of Consumer’s Self-Identity and Corporation’s Ethical Values

The more that consumers perceive congruence between themselves and the brand’s identity, the more likely they are to develop a deep relationship with the brand. As a result, appropriate alignment between consumer identity and brand identity is deemed to be vital for developing deep positive relationships (Lin, 2010). Consumers decrypt the codes that they receive from a brand in order to find a match (mismatch) condition between their identity and values with a company’s values and brand identity (Huang, Mitchell, and Rosenaum-Elliott, 2012). Consumers are more likely to prefer brands with identities and values similar to their own and often choose brands because they view them as extended parts of themselves (Huang, Mitchell, and Rosenaum-Elliott, 2012). The higher the fit between a consumer’s identity and a brand’s identity, the higher the consumer’s tendency is to choose the brand (Lin, 2010). Therefore, it may be appropriate for marketers to examine the interaction effect of a consumer’s identity and corporate values on the consumer–brand relationship to create a marketing roadmap.

The question arises as to whether consumers’ brand love (hate) is most strongly shaped by the match (mismatch) effects of the self-identity of consumers with the brand identity and corporate values. More specifically, when consumers encounter some level of contradictory and non-homogeneous signals between corporate values, brand identity, and their identity, it results in the question of which has a stronger influence on shaping the consumer–brand relationships (Banerjee, 2016). Accordingly, marketers may feel pressure to manage the interrelationships among the brand’s identity, the corporate values of the brand’s maker, and the identity of the target consumer so that the requisite alignment can be maintained (Banerjee, 2016).

Thus, it is important for researchers to investigate the interaction effects between corporate values, the consumer’s identity, and the brand’s identity. Otherwise, the absence of congruence between the corporate values, the identity of the brand, and the consumers’ identities can make consumers confused and increase the complexity of their decision-making process. We suggest that the match-up effect among the self-identity of the consumer and corporate personality exert influence on consumer brand love/hate (Hsieh, Pan, and Setiono, 2004). Accordingly, we propose:

Proposition 3: *There is a significant interaction effect between a consumer’s self-identity and the corporation’s moral values on brand love/hate.*

Behavioral Outcomes: Positive (Negative) Word of Mouth

The extent to which a person speaks or writes about a brand is referred to as word of mouth (WOM), which could be negative or positive (Bonifield and Cole, 2007). Positive

(negative) WOM (Ahuvia, 2006) is generally considered as pro-brand (anti-brand) behavior where the level of intensity is moderate to high. Therefore, marketers must pay close attention to these behaviors due to the intense effects they could have on their brands (Zhang, 2017). In this regard, consumers talk to each other to share their ideas, feelings, and attitudes toward external concepts and endeavor to emulate each other in a social learning paradigm (Carroll and Ahuvia, 2006).

WOM is the process that allows consumers to share information and opinions for or against specific products, brands, and services with other buyers (Hawkins et al., 2004). WOM has emerged recently in the literature on relationship marketing as a powerful response that consumers can show toward a brand (e.g., Sheth and Parvatiyar, 1995).

In its broadest meaning, WOM communication entails any information about a target object (e.g., company or brand) spread from one individual to another via some communication medium (Brown, Barry, Dacin, and Gunst, 2005). More specifically, Harrison-Walker (2001) defined WOM as “informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding a brand, a product, an organization or a service” (p. 63). In this study, we want to examine the effect of brand love (brand hate) on positive (negative) WOM.

Generally, if consumers feel they love (hate) a brand, that in turn may translate into positive (negative) WOM to friends and relatives. Previous studies have failed to link brand love/hate and WOM. Baumeister, Bratslavsky, Finkenauer, and Vohs (2001) assert that people are more likely to spread negative experiences with others than positive ones. Accordingly, managers must be more careful about the consequences of brand hate and negative WOM than positive WOM. Consumers share negative ideas because they want to alert others about their negative experience with a specific brand (Singh, Rothschild, and Churchill, 1988).

Previous studies categorize two types of negative WOM (Nyer and Gopinath, 2005). First, “private complaining” is defined as consumers sharing negative ideas about the brands with their close relatives and friends. Secondly, sharing online posts on blogs, websites, or social media is defined as “public complaining” (Zeithaml, Berry, and Parasuraman, 1996). In our current model, we use one construct to measure positive/negative WOM without distinguishing between private and public. Positive (negative) brand relationship, specifically brand love (hate), is conceived to be a relevant driver for positive (negative) WOM (Zarantonello et al., 2016). Therefore, we propose:

Proposition 4: *Brand love (hate) has a positive impact on positive (negative) WOM.*

Brand Loyalty/Avoidance

In comparison with other behaviors, brand avoidance/loyalty is less intense. In this circumstance, consumers engage in avoidance (loyalty) behavior without direct and noticeable actions (Hegner et al., 2017). Scholars in the brand research literature (Lee et al., 2009) have studied brand avoidance broadly as a consequence of brand hate. Hence, Zarantonello et al. (2016) divide brand hate behavior into two categories: passive and active.

Passive behavior is defined as the desire for avoidance, which is non-confrontational and associated with a consumer’s requirement to escape their relationship with a firm. This is usually expressed as patronage reduction or cessation. Therefore, in avoidance behavior, consumers primarily endeavor to escape and forget about the specific brand. Brand loyalty, on the other hand, is the attachment or deep commitment to a brand (Aaker, 1991). Consumers become loyal when they have a positive perception of a brand. Previous studies suggest that high levels of positive associations and brand love can enhance brand loyalty (Keller and Lehmann, 2003). Consequently, having a long history with a brand was a result of brand love.

This common history can provide the loved brand an important place in the consumer's mind and heart (Park et al., 2013). Because past behavior is often a good predictor of future behavior (Guadagni and Little, 1983), this implies higher loyalty to loved brands (Thomson, MacInnis, and Park, 2005). Previous studies show a positive relationship between brand love (hate) and loyalty (avoidance) as a behavioral consequence toward the brand. Thus, we propose the following:

Proposition 5: *Brand love (hate) has a positive impact on brand loyalty (avoidance).*

Brand Repurchase/Retaliation

Brand repurchase (retaliation) is characterized as the most intense behavioral consequence of brand love (hate). Consumers show their desire (enmity) towards brands overtly. These intense types of behavioral outcomes are direct actions toward the brand. Based on previous literature, repurchase (retaliation) is conceived as a consequence of brand love (hate) (Zhang, 2017; Batra et al., 2013). In line with previous studies, we show the positive relationship between brand love (hate) with repurchase (retaliation). From a managerial point of view, Batra et al. (2013) demonstrate that brand love has the potential to be an important construct for improving consumer-brand relationships and could convince consumers to be loyal, have the willingness to engage in positive WOM, and have more favorable repurchase intentions. Conversely, retaliation is classified as direct actions, such as having harsh objections with a brand's employees, stealing from the brand, or damaging the brand's assets. Based on Grégoire, Tripp, and Legoux (2009), we regard brand retaliation as a consequence of brand hate.

According to Sternberg (2003), hate causes people to retaliate for whatever they assume the brand has done. Based on equity theory, the main objective of brand retaliation is to punish or cause harm to brands (Bechwati and Morrin, 2003; Grégoire et al., 2009; Marticotte, Arcand, and Baudry, 2016). In addition, Zarantonello et al. (2016) show that consumers' protests and complaining are coping strategies and outcomes of brand hate. Therefore, "punishment" behavior toward the brand is a result of brand hate (Funches, Markley, and Davis, 2009) and we propose the following:

Proposition 6: *Brand love (hate) has a positive impact on brand repurchase (retaliation).*

DISCUSSION

This paper proposes a conceptual model of consumer-brand relationships by specifically suggesting one unifying construct for brand love/hate. This model entails match (mismatch) effects of the self-identity of consumers with brand and corporate values on behavioral outcomes (i.e., favorable and unfavorable) through the mediation effect of brand love/hate. Indeed, consumers are likely to develop a feeling of love (hate) when they can have faith in the brand (Albert and Merunka, 2013). Subsequently, that feeling of love enhances the brand. Comprehending the drivers that contribute to a deep brand relationship is vital because it is a key factor of brand success (Buil, Martínez, and De Chernatony, 2013).

The antecedents include contextual factors (corporate values), consumer factors (self-identity), and the interaction effects of those, whereas the outcomes are loyalty/avoidance, positive/negative WOM, and repurchase/retaliation. This conceptual model is invaluable for marketers because it provides a tool for managing marketing messages and effectively developing and promoting strategies that result in brand love. Of course, the benefits marketers are seeking are the resulting loyalty, positive WOM, and repurchases. Furthermore, marketers

can rely on this model to develop marketing strategies that prevent brand hate in order to avert the negative consequences of avoidance, negative WOM, and retaliation. In line with previous studies (Batra et al., 2012; Carroll and Ahuvia, 2006), our contributions highlight the need of consumers to feel psychologically close to a brand in order for them to develop positive consumer–brand relationships.

THEORETICAL CONTRIBUTIONS

From a theoretical standpoint, we advocate for a dynamic view of consumer–brand relationships that incorporates the three main theoretical lenses - namely interpersonal, parasocial, and experiential lenses. Most importantly, we advocate a developmental approach to brand love/hate depending on match-up effects of self-identity of consumers with the brand and corporate values. We argue that brand love/hate should not be conceptualized as static but rather as continually evolving, encompassing each brand-related experience that may likely change the future path of the consumer–brand relationship.

This paper makes two important contributions to the consumer–brand relationships literature. First, it provides a framework on the positive direct effect of matching consumers' identity with the brand identity on consumer–brand relationships. Secondly, it investigates the interaction effects of consumer's self-identity and the corporation's moral values on brand love/hate. Knowing how brand love evolves over time enables the determination of elements that help as opposed to hindering the positive evolution of consumer love towards a particular brand.

MANAGERIAL IMPLICATIONS

We propose that consumers' favorable behaviors towards brands are influenced by the match between consumers' identity, brand identity, and corporate values. Additionally, interaction effects among the self-identity of consumers and corporate values are important in shaping deep relationships. This suggests that consumers do not consider brands as merely an entity when developing a brand relationship. This conceptual model provides new insights for practitioners into the relationships among consumers and brands.

The proposed conceptual model of this study may also instruct brand marketers about the extent of the effects that consumers' identity and corporate values have on consumer–brand relationships. The findings of this study suggest a proper alignment among consumers' identity, brand identity, and corporate values. Therefore, it requires more care regarding the matching of brand identity and corporate values with the self-identity of consumers so that all may be integrated correctly. In the long run, brands that maintain an appropriate level of integration of the consumers' identity and brand identity can obtain favorable behavioral outcomes.

These positive outcomes should influence practitioners and marketers to create closer and more trustworthy relationships with consumers to increase brand love by delivering corporate brand values or the brand's personality in corporate communications to increase the match between the brands and consumers. Supporting activities that increase loyalty among consumers, such as the creation of a brand community, also has a positive effect on brand love. As a result, well-known brands (e.g., Apple) should consider that brand love is the most important factor resulting in brand loyalty. Hence, companies must identify and satisfy consumers' needs to gain their trust and the resulting love and loyalty.

DIRECTIONS FOR FUTURE RESEARCH

In conclusion, regarding ongoing debates in marketing, our proposed conceptual model for brand love/hate substantively enriches the brand love literature. By conceptualizing brand love/hate in a developmental perspective and transferable scenario based on self-brand congruency of consumers' identity with the brand and corporate values, we have addressed a

significant amount of untapped potential and limitations that exist in this realm, with future potential benefits for academics and practitioners alike. However, many questions remain unanswered and, as with all research, this study consists of some limitations.

First, future research involving the collection of data should test the proposed relationships among constructs. Future research could also investigate other antecedents of brand love/hate to understand the developmental process of consumer–brand relationships fully. In this context, a research question is: What are the other antecedents for brand love/hate? To answer this question, a qualitative approach could identify other factors that enhance consumer–brand relationships.

Secondly, future research should also investigate the moderators of brand love/hate more fully. In terms of moderators, scholars underscore the importance of demographics (e.g. income, age, gender), cultural phenomenon (Roy et al., 2016), the extent of consumer engagement with products (Kaufmann, Loureiro, and Manarioti, 2016), product involvement (Kaufmann et al., 2016), brand types (e.g. luxury vs. non-luxury brands) (Hegner, Fenko, and Teravest, 2017), and various types of retail stores (Roy et al., 2016), with additional work required to investigate their effects on consumer–brand relationships.

Third, previous research based on a snapshot view of brand love/hate investigated the effects of consumer–brand relationships on behavioral outcomes, but it remains unclear whether the impact is similar after adopting a developmental perspective.

Fourth, future studies should explore other factors that result in brand love and brand trust. For instance, consumer characteristics (e.g., personality) also play a role in developing brand love/hate.

Finally, future research should test the applicability of the nomological model in other countries and cultures.

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FORGIVING A LOVED BRAND IN THE FACE OF TRANSGRESSION: AN EXPLORATORY STUDY

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ABSTRACT

This is exploratory research using focus groups to study consumers' responses following transgressions by a loved brand. The focus of this research was exploring why consumers forgive some brands after a transgression. Consumers were more willing to forgive brands that they perceived as sharing their regional identity. Nostalgia and value were two other factors that consumers considered when it came to resuming purchase of the brand. Consumers who felt a sense of loss when the brand was off the shelves and those that believed the company had done everything right after the transgression were also inclined to forgive the brand.

INTRODUCTION

Consumers and their loved brands form relationships. In an ideal world, both parties would always have their expectations met from each other. In the real world, however, even good companies end up unwittingly committing violations of trust (Aaker, Fournier, & Brasel, 2004). One example of that is when food companies are hit by contamination crises. When that happens, companies go into crisis management mode to earn the consumers' forgiveness and trust back. Forgiveness is considered to be a prerequisite to restoration of a harmonious relationship (Finkel, Rusbult, Kumashiro, & Hannon, 2002). This trust recovery can take the form of verbal strategies such as apology, denial, explanation, communication, and promises or substantive strategies such as penance or organizational reform (Božiča, Siebert, & Martinc, 2020). However, consumers' forgiveness is a complex construct and firms have had varying levels of success earning it.

Understanding customer forgiveness may assist organizations in actions designed to restore a positive relationship with customers, beyond the notion of customer retention (Tsarenko & Rooslan, 2011). Even though forgiveness has been heavily researched, there are still some unanswered questions about why consumers are more inclined to forgive some brands as compared to others. While the responses of the company do play a large part in consumers' forgiveness, the consumers' loyalty or brand commitment is also a significant predictor that appears to drive their repurchase of the offending brand. It has been seen that some brands take a lesser hit after a transgression than others do (Sinha, Lu, & Janakiraman, 2012). Multiple researchers have investigated what drives consumer reactions towards brand transgression. This research is an exploratory study utilizing focus groups that looks into what leads consumers to forgive certain brands and why those brands inspire the passionate loyalty that is most companies' goal.

CONTEXT

This research is rooted in the context of multiple listeria contamination scandals that hit a much-loved ice cream manufacturing brand (hereby referred to as ABC). Usually when a food company is affected by a contamination, the initial reactions range anywhere from anger to disappointment. However, in the case of ABC, despite consumer sickness and a couple of deaths, support for the brand appeared to stay high. News media covered prayer vigils that were held for the brand's recovery with multiple prominent figures including the state senator expressing their support for the brand. Consumers on social media also expressed eagerness to see the brand back on the shelves.

This research explores forgiveness in the face of transgressions. Past research has looked at a number of antecedents of forgiveness. This research investigates if there may be other factors that lead to consumers forgiving some brands more readily than others. This research study was not sponsored or supported by the company in question.

TRANSGRESSIONS AND FORGIVENESS

Transgressions

Transgressions are violations of the implicit or explicit rules which guide relationships between two parties (Aaker et al., 2004). Transgressions can vary in their severity and cause, but all have an impact on the relationship quality. While transgressions seem inevitable over time (especially in the food and beverage industry) consumer expectations do not agree with this idea. Researchers have found that consumers do not expect service failures and thus adopt a no-transgression scenario as their reference point (Smith, Bolton, & Wagner, 1999). Therefore, every transgression is an unpleasant surprise and results in a response. Responses to transgressions can vary from behavioral such as switching and/or complaining to cognitive and emotional such as dissatisfaction, coping, regret, disappointment, and attributions (Jones, Dacin, & Taylor, 2011). On one end of the continuum of consumer responses are dysfunctional consumer behaviors which have been defined as "actions by customers who intentionally or unintentionally, overtly or covertly, act in a manner that, in some way, disrupts otherwise functional service encounters" (Harris & Reynolds, 2003). One of the seminal works on consumer dissatisfaction and complaining behavior was developed by Hirschman (1970) who categorized consumer responses into exit, voice, and loyalty. Voice responses include consumers complaining to the company, its employees, their friends or other third parties such as the Better Business Bureau. It also includes complaining on social media and other online review sites. Exit behavior is when the customer exits the relationship, either by physically leaving the store or ceasing purchases. In cases where customers do not have alternatives (for example, monopolistic situations or contractual obligations), they still engage in a less overt form of exit by gradually reducing their transactions with the company until they can eventually exit the relationship (Aron, 2016). It has been found that unhappy customers may avoid a company for years (Otto, Parry, Payne, Huefner, & Hunt, 2004). Aron & Kultgen (2019) look at some possible outcomes of dysfunctional consumer behavior which range from *save the relationship* to *end the relationship* and from *help the firm* to *hurt the firm*. The overlap between these outcomes includes remediation, revenge, educating the firm, and grudgeholding. Hunt, Hunt, & Hunt (1988) proposed that grudge holding consumers remained upset over transgressions and often stayed upset for years.

Why consumers respond differently to transgressions depends on several factors. The most important factor is the degree of control that the company had over the failure as perceived by the consumers. This has its roots in attribution theory which suggests that consumers make causal inferences about failures which then guides their responses (Folkes, 1984). In the case of contamination, it is expected that if the consumers believed that the company should have been able to anticipate and prevent it, their negative response will be more severe than if they believe that sometimes product or service failures are unavoidable. Consumers' brand relationships also play a part in their response to the transgression (Aaker et al., 2004). When consumers feel committed to a brand, similar to a relationship, they are more likely to forgive a transgression. Finkel, Rusbult, Kumashiro, & Hannon, (2002) explain this through three lines of reasoning. First, if committed individuals need their relationship and therefore intend to persist with their partner, they should be more willing to forgive a partner's transgressions. The second component of commitment involves long term orientation which calls upon the partners to develop patterns of reciprocal cooperation and consider forgiveness to be a means of maximizing long-term self-interest. The third component involves psychological attachment

resting on the perception that one's own well-being and the partner's well-being are linked. Customers' satisfaction levels with the company prior to the transgression also play a part - this is covered in the following section.

Forgiveness

While customers are likely to respond to transgressions with dysfunctional behavior, they may also react with forgiveness. Forgiveness is a complex construct that has been researched heavily in marketing and psychology literature. The concept of forgiveness can be traced to theology, philosophy, psychology, and law (Tsarenko & Tojib, 2015). Enright, Freedman and Rique (1998) conceptualized forgiveness as a "willingness to abandon one's right to resentment, negative judgment, and indifferent behavior towards one who unjustly hurt us, while fostering the undeserved qualities of compassion, generosity, and even love towards him or her." Forgiveness has been defined as incorporating cognitive, affective, and motivational components (Finsterwalder, Yee, & Tombs, 2017). Thus, forgiveness can refer to the cessation of resentful feelings towards the misbehavior (Exline et al, 2007) or to a pro-social motivational change (or less motivated to harm) towards the transgressor (McCullough, 2001).

Even though the roots of forgiveness are in interpersonal domains, the idea of forgiveness in a consumer context is a growing field of research. Joireman, Grégoire, & Tripp (2016, p 76) defined customer forgiveness as "customers' internal act of relinquishing anger and the desire to seek revenge against a firm that has caused harm as well as the enhancement of positive emotions and thoughts toward this harm-doing firm." Xie and Peng (2009) based their definition of consumer forgiveness on Finkel et. al (2002)'s relationship perspective and described it as consumers' willingness to give up retaliation, alienation, and other destructive behaviors, and to respond in constructive ways after an organizational violation of trust and the related recovery efforts. Forgiveness is a positive act and receiving it is the goal of any company that finds itself in the unfortunate position of being the transgressor. Marketers are trying to build strong relationships between their brands and their consumers and transgressions affect the trajectory of those relationships. Therefore, forgiveness can provide the basis to restore the relationship to its pre-transgression state (Chung & Beverland, 2006).

Tsarenko and Roosiani (2011) propose that forgiveness arises from an interplay of cognitive, emotional, and behavioral perspectives within situational and contingent factors derived from theories of social exchange (Blau, 1964), reasoned action (Ajzen and Fishbein, 1980) and interdependence (Kelley and Thibaut, 1978) theories. When a transgression occurs in what has been a valued relationship, the focus is on reducing the negative and increasing the positive emotions towards the offender. Strong relationships are characterized by a strong bond between the parties, social benefits for customers such as familiarity and understanding, and higher levels of customer trust and satisfaction (Yagil & Luria, 2016). In fact, customer reactions to unsatisfactory service experiences are important for determining satisfaction and loyalty (DeWitt & Brady, 2003). An existing rapport between the customer and service provider resulted in increased postfailure customer satisfaction, increased repatronage intentions, and decreased negative word of mouth.

There has been great interest in investigating the conditions that facilitate forgiveness. This research explores the antecedents of forgiveness, particularly when the brand committing a transgression is a much loved one.

DATA COLLECTION AND ANALYSIS

As the research aim is exploratory, qualitative (rather than quantitative) research methods were employed. Four rounds of focus groups were organized with seven to nine

respondents in each group. The focus groups were run in a semi-structured format with mostly open-ended questions. The goal was to utilize the grounded theory approach to generate an innovative framework that emerged from the data. With that end in mind, moderators were reminded to avoid all leading questions and let themes emerge organically. Each focus group lasted close to ninety minutes with most respondents participating enthusiastically. The combined sample had eighteen males and fourteen females in the age group of 18-35. Respondents were a mix of graduate and undergraduate students at a public university in Southeast Texas.

Respondents were asked probing questions such as “Why do you think that might be so?” or “Can you tell us more about that?” at multiple points during the focus group. The focus group moderators looked for emerging themes and patterns until thematic saturation was reached.

Interviews were transcribed from the audio recordings. They were then analyzed line-by-line and examined for possible themes. Each data fragment was coded with a label that captured its meaning. Each coded line of text was compared with other lines of already coded text from previous focus groups and their corresponding codes. Data which indicated the same concept was given the same conceptual label (Božiča, Siebert, & Martinc, 2020). After that, codes were reduced by recoding them into labels based on theory.

FINDINGS

The focus groups were designed to be open ended and exploratory in nature. The moderators asked the groups if they recalled the ice cream company having been in the news recently. A couple of respondents mentioned the listeria contamination which set the tone for the rest of the conversation. Almost everyone recalled the contamination even though some did not remember the details (“Was it listeria? I thought it was salmonella”). Moderators asked the group to reflect on the incident and its effect on their buying behavior. This led to a lively discussion with respondents organically branching off into what different topics such as what brands they purchased when ABC was off the shelves and why they resumed buying it once it returned to the stores. Occasionally, moderators asked for more details by prompting them to think, “Have you forgiven the brand? What if it had been a different company which had a similar contamination scandal? Would you have continued buying it?” The goal behind the questions was to get the group to focus on what made ABC brand special to them in ways that other ice cream brands may not have been.

Rigor was ensured by following all steps prescribed by the grounded theory method (Glaser & Strauss, 1967) including line-by-line coding, constant comparison, non-leading questions, memoing and diagraming. In addition, all focus groups were audio recorded and transcripts were verified by two independent members.

Regional Loyalty

One theme that was mentioned multiple times by the respondents was the identity of the ice cream brand as “a Texas company.” All but one respondent named towns in Texas as their hometowns, so this was significant. When they were asked why consumers resumed buying ABC as soon as it returned to the stores, one said,

ABC is a Texas based brand and has very strong brand loyalty, so people forgive it much easier than others.

Another respondent agreed and said,

I also think that Texans, compared to other states, are really loyal to everything Texas. So that's why the forgiveness part about it was so much easier when it was a Texas brand.

When asked if they all saw it as a Texan company, almost all respondents agreed.

I think it is a very Texan brand. I remember in summer I always used to go to this ice cream place that carried only ABC flavors. That is all they ever carried. When ABC went off the shelves, they had to bring in all new brands. I felt like I had to adjust to these new brands and flavors.

Another respondent said,

Everyone who lives in Texas sees it as a Texan brand. Like, if you go to Louisiana, it may be popular but not as popular as here.

At this point, most in the group were nodding in agreement. Below are comments from three different respondents.

It is sold in many states but is the most popular in Texas. Like, many restaurants have it listed on their dessert menu by name, like ABC ice cream.

The brand originated in Texas and Texans tend to be pretty brand loyal to Texan companies.

Down here, most people have bigger homes. If you go to New York or other states up North, people have smaller houses, and they are probably not keeping huge tubs of ice cream in their fridge. I think the culture down South is a lot different than the rest of the United States. I feel like ABC caters to the South and they do it well.

This was the most interesting and unexpected finding of this research. There is a well-established body of research looking into country-of-origin effects and domestic country bias. Empirical investigations have demonstrated consumers' preference for domestic products (Balabanis & Diamantopoulos, 2004). This may be based on perceived superiority of domestic products or the perceived need to protect domestic production (Maier & Wilken, 2017). Country-of-origin effects act as an informational cue that may influence consumers' purchase intentions, product perceptions, or actual choices. Researchers found a 'bidirectional relationship between country image and brand image', i.e., positive country image improved associations with brands from the country and reputable brands acted as ambassadors for their country and contributed to a positive country image (Pappu, Quester, & Cooksey, 2007). In this case, however, respondents narrowed into a more specific identity and mentioned the state or even city-of origin of the ice cream brand. Respondents also indicated that the state-of-origin of the brand played a role in the goodwill they felt towards the brand. There has not been much research carried out in the field of what this research is calling "regional loyalty." Ittersum, Meulenberg, Trijp, & Candel (2002) found that consumers' relative attitude towards what they describe as protected regional product (for example California wines, Florida Oranges or Parmesan Cheese) does influence consumption behavior. Consumers are willing to pay a higher premium price for the regional product than for competing alternatives. However, that

research looked at products expressly labeled with certificates of origin, which was not the case with the product being researched here. Further research is warranted to confirm if the positive attitude towards what consumers see as a regional product also extends to forgiveness towards it.

Nostalgia

There was a certain degree of overlap between pride for the brand as a Texan company and nostalgia. According to Holak and Havlena (1998), nostalgia is a positively valenced emotion caused by experiences related to the past. Studies have noted the connection between consumption experience dimensions and nostalgia (Tung & Ritchie, 2011). Nostalgia in consumer culture refers to the preference for objects common when one was younger (Holbrook & Schindler, 1991). Cultural nostalgia (in some cases, revived from childhood) is defined as direct collective experience which is common to members of a group. Personal nostalgia can come from individual experiences and personal memories. (Gineikiene, 2013). Both were evident in respondents' words:

My parents and grandparents were all raised in Texas. All had ABC in their homes. Schools around took students to tours to (the town) where they make it. They are super proud of it in Texas.

Another dimension of the construct is personal nostalgia based on belongingness to youth, and the feeling of connectedness, which can be explained through social identity theory (Demirbag-Kaplan, Yildirim, Gulden, & Aktan, 2015). Many respondents mentioned the brand as being part of their childhood, such as the two respondents quoted below.

I remember it being at every childhood birthday parties, school parties.

My grandpa always gave me ABC ice cream. That's how I grew up.

Nostalgia literature talks about adolescence being a particularly potent period from which individuals draw nostalgic experiences (Davis, 1979). This was evident from the fact that a memory mentioned by multiple respondents was visiting the ice cream factory. One said,

I was one of those who had gone to (the town) as a kid to tour the factory. It felt like such an experience, one that you remember.

Another respondent said that the school trip to the factory was

...one to remember. You go to the ABC plant and see ice cream being made and then visit the ABC park. Basically, it is a full experience. They serve ABC there. I was in third grade, but I still remember.

The ice cream brand was also a significant part of special occasions such as birthdays and sports teams' outings.

Birthday parties were always the little chocolate and vanilla cups. I remember when I was little, some teammates bought other ice creams and I thought that was weird. I didn't even know there were other ice creams.

Some participants in the focus group could not even recall when they became loyal to the brand.

It was the first thing I had; it was practically like baby food. I don't even remember the first time I ate it.

Along with childhood memories and nostalgia was the comfort that came from familiarity with the brand:

My number one reason is comfort. It is what I grew up eating.

Nostalgia can also be connected to satisfaction. Satisfactory experiences result from consumption activities (such as eating ice cream) that produce positive emotions of joy and pleasure. Nostalgic and memorable experiences are positive events that help consumers escape from routine and lose a sense of presence. (Triantafillidou & Siomkos, 2014). Havlena and Holak (1991) made a distinction between (1) nostalgia-based marketing messages for new products or services and (2) inherently nostalgic products and services. In the second category, the products and services are likely to evoke memories of past times and inspire nostalgic reflection not only through advertising appeals but through the consumption of the products themselves. That is what appears to be the case here where consuming or even talking about this specific brand led respondents down the memory lane. This is very significant from a marketing perspective since Demirbag-Kaplan et al (2015) proposed that nostalgia can play a role in remedying broken relationships between brands and consumers or functioning as a tool to bind worn threads of the relationship, preventing a total rupture. Since a product failure does fray the relationship between brands and consumers, it stands to reason that nostalgia may have an impact in preventing a breakdown.

Value

Another theme that emerged was that respondents resumed buying the brand because it offered good value for money. Zeithaml (1988) defined perceived value as the consumers' overall assessment of the utility of a product based on perceptions of what is received and what is given. The link between value and behavioral intentions has been demonstrated by multiple researchers (Chang & Wildt, 1994; Cronin, Brady, Brand, Roscoe Hightower, & Shemwell., 1997; Gale, 1994. Zeithaml, Berry, & Parasuraman (1996) suggested that favorable behavioral intentions are associated with a service provider's ability to get its customers to 1) say positive things about them; 2) recommend them to other consumers; 3) remain loyal to them (i.e., repurchase from them); 4) spend more with the company; and 5) pay price premiums. This research found evidence of respondents remaining loyal to the ABC brand because of value. Some respondents switched to different brands in the absence of ABC and discovered other brands were more expensive for comparable quality.

I bought Ben and Jerry's for the first time. I usually never buy it because it is, like, \$5 for a small pint. It is pricey but, in all honesty, the quality of their ice cream is much better.

But when further questioned, this respondent admitted that she went back to ABC as soon as it was back on the shelves because of its price. She said,

There are cheaper ice creams and there are better ice creams, but ABC is the perfect tradeoff. I think that is one of the main reasons why many people are so loyal to ABC. It is good quality for a good price. It honestly doesn't cost much more than a generic brand.

Another participant liked the large sized ice cream tubs which is a unique feature of ABC:

Also, from a value standpoint, they have these large tubs. Most other brands don't offer the gallon size. So, I think that's a big thing. It's a family sized ice cream.

Value was mentioned multiple times, which showed it was a significant consideration for the buyers.

It is priced well, and you get an array of flavors at a reasonable price.

Satisfaction has been found to mediate the relationship between perceived value and loyalty (Taylor & Hunter, 2014). Satisfaction is defined as the consumer's response to the evaluation of the perceived discrepancy between some comparison standards and the perceived performance of the product (Yi, 1990). Value is a function of perceived quality (Grewal, Monroe, & Krishnan, 1998) and both quality and value are significant predictors of satisfaction (Cronin Jr., Brady, & Hult, 2000). While there has not been research looking specifically into the link between value and forgiveness, the link between value and positive behavioral intentions is well established (Cronin et al. 2000). Forgiveness has also been described as cessation of hostile thoughts and a way to repair relationships. Therefore, it seems likely that there could be a link between value and forgiveness. More research is called for in this area.

Loss

Another theme that arose was a sense of loss.

When something like this happens, it, not like, changes your perception of the brand, but it affects you because you love the brand so much and it's gone.

When asked what brands they switched to while ABC was off the shelves, one said,

I just didn't eat ice cream.

Many respondents agreed with this sentiment. Others did try different brands:

I tried other brands and I didn't like them, so I just quit eating ice cream until ABC was back.

Others mentioned being confused:

When they took ABC off the shelf was when I realized we had never bought another brand. Like I didn't even know what any of these are.

One respondent laughed as she talked about the social media frenzy she observed on Facebook:

It's not like people were upset at ABC, they were just upset they couldn't get ABC. They were just waiting for it to come back on the shelves. They didn't care what really happened.

There has not been much research done in marketing when it comes to loss arising due to brand unavailability. Bergkvist & Bech-Larsen (2010) considered the sense of loss in the

case of unavailability to be one of the two items that went into measuring brand love, the other being love. They based their research on the work of Hatfield & Sprecher (1986) that found that a sense of loss is an important component of passionate or romantic love. The sense of loss is also closely tied to nostalgia which originates from the Greek words *nóstos* (return home) and *álgos* (longing). Nostalgia mourns for “the loss of an enchanted world” (Boym, 2001). This sentiment was mirrored by a respondent who talked of being despondent when the brand was taken off the shelves in grocery stores and felt “...like we were ice cream homeless!”

Doing the Right Thing

A firm’s response to a brand-related transgression can make all the difference when it comes to consumers forgiving it. The effectiveness of the response does vary by the nature of the crisis. When a crisis involves a food-borne illness, the response should include rapid announcements and recalls (Seeger, 2006). In the multiple focus groups, most respondents believed that the company had taken all the right steps since the problem was identified. One said that,

they owned up to it, acknowledged it and you feel like when they acknowledge the problem head on, they have your best interest at heart, and they are not trying to hurry up and brush it over and they want to fix the problem before they even allow you to buy their product again. So, they are kind of shooting themselves in the foot for you.

Another agreed,

...because I saw the CEO on CNN give a statement, like he personally said, “We are 100% committed to doing the right thing. Best way to do that is take all of our products off the market until we can be confident that they are all safe. We are heartbroken about the situation and apologize to all our ABC fans. We are going to fix this problem.”

Previous research has indicated that marketer-led recovery attempts can “dilute what is regarded as the inevitable negative fallout from failures, sometimes driving the relationship to satisfaction levels beyond pre-event marks” (Aaker et al., 2004). In this case, most participants in the study perceived the recovery attempts initiated by the company as being more than adequate.

DISCUSSION AND CONCLUSION

Forgiveness has been extensively researched. However, most researchers agree that more investigation is called for regarding the conditions that help consumers forgive brands after transgressions. This research looked into a much-loved brand which was in the news for food contamination and explored why its loyal consumers were willing to forgive and return to the brand. While some reasons that emerged from the focus group exploratory study (for example, the company doing the right things after the crisis) were in line with established theory, others were surprising.

One factor which was mentioned by most of the respondents was that the brand’s identity as a Texan brand made it easier for them to forgive the company. This is interesting since it goes narrower than the previously studied domestic country bias and looks at a state as a source of identity and pride. This may be unique to residents who call Texas home since anecdotally, they are believed to take more pride in their identity as Texans than residents of other states. Many Texan homes proudly display the flag of Texas and the shape of Texas can

be seen everywhere, from waffle makers to cookies and crackers. All major truck manufacturers have special Texas editions of their vehicles. A study by The Texas Politics Project at The University of Texas at Austin found that over fifty percent of respondents most strongly identify as Texans. Therefore, when politicians and media make constant references to Texas pride, they are seeking to tap into a very real sentiment that continues to exist within the general public (Myers, 2010). More research is called for to confirm this finding and also extend this research into other states or even cities to see if this effect holds true.

Another interesting find was that the sense of loss that consumers felt in the weeks that the brand was off the shelves after the contamination encouraged them to forgive the brand and wait for its reappearance in the stores. Closely related was the nostalgia that was evident in the personal narratives of majority of the respondents when they talked about the memories of ABC in their childhood.

All these findings have significant implications for how companies should build loyalty and satisfaction among their consumers. It appears that loyalty arising from childhood consumption of the brand is durable and extends well into adulthood. While there has not been research carried out into regional loyalty, it is another avenue that brands can pursue when trying to establish a loyal customer base.

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TURNING POINT ANALYSIS OF BRAND LOVE TRAJECTORIES

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ABSTRACT

Brand love is a recent consumer construct that examines the passionate and emotional feelings of satisfied consumers. The present study examines the journey that consumers have with their loved brands from the first contact to the present moment through the lens of turning points. Using semi-structured interview and Retrospective Interview Technique (RIT), the present study identifies nine turning points and five different trajectory types. Out of the nine turning points that have been identified, six turning points were found to help the brand love development, and three of the turning points were found to hinder the development of brand love. Further, five patterns of brand love trajectories were inductively categorized, which shows that the formation of brand love does not follow a specific pattern. The trajectories indicate that consumers do not experience love at first sight, thereby suggesting that brand love formation is complex.

INTRODUCTION

Satisfaction has been at the core of all marketing-related activities for a very long time (Carroll and Ahuvia, 2006; Durgee, 1999; Larsen and Wright 2020; Naylor and Kleiser, 2002; Oliver, 1989; Swan, Martin, and Trawick, 2003). However, there have been significant efforts to look for concepts beyond satisfaction, as today's business environment requires constructs over and above satisfaction to improve the financial performance of firms (Chaudhuri and Holbrook, 2001; Homburg, Wieseke, and Hoyer, 2009). In this vein, Fournier and Mick (1999, p.11) suggested that "satisfaction as love probably constitutes the most intense and profound satisfaction of all."

Brand love, a consumer construct, is defined as the amount of passionate, emotional attachment that satisfied consumers have for their loved brands (Carroll and Ahuvia, 2006). In other words, brand love can be understood as a construct that explains variation in post-consumption behavior of satisfied consumers (Carroll and Ahuvia, 2006). Brand love has been a topic of interest to many researchers in the recent past (e.g., Carroll and Ahuvia, 2006; Batra, Ahuvia and Bagozzi, 2012; Rossiter, 2012; Sarkar, 2014). This increase in interest can be attributed to the crucial managerial consequences that the brand love has to offer, such as brand loyalty (Batra et al. 2012; Bairrada, Coelho and Coelho, 2018), positive word of mouth (Carroll and Ahuvia, 2006; Bairrada et al. 2018), willingness to pay a premium (Bairrada et al. 2018), resistance to negative information (Batra et al. 2012), etc.

Though there has been a surge in the research publications on brand love, a literature review suggests that most research on brand love has taken a snapshot approach to capture this phenomenon (Palsuk, Koles, and Hasan, 2019; Langner et al. 2016). In other words, most of the studies on brand love have examined the already formed brand love (Palsuk et al. 2019; Langner, Bruns, Fischer, and Rossiter, 2016) and have not looked at the *trajectory* of brand love (Langner et al. 2016).

The trajectory of brand love is an essential investigation because love is an emotion and, like all the other emotions, it is episodic in nature (Batra et al. 2012; Sternberg, 2003). Hence, brand love is subjected to constant change. As love is dynamic in nature, the consumer–brand relationships that are based on love also change and so do the relational feelings and the underlying behaviors of that relationship (Avtgis, West, and Anderson, 1998). Therefore, it is crucial to understand the cause of change in the trajectories of these relationships (Baxter and Bullis, 1986). This cause of change has been termed as turning points (Bolton, 1961) and they serve as a useful function of describing relational processes and change (Baxter and Bullis, 1986).

The present study contributes to the literature on brand love by examining the dynamic nature of brand love through the lens of turning points. Studying the trajectories of consumer–brand relationships might better the understanding of how relationships evolve, change, refuel, stagnate, redefine, and reduce. Past research on brand love has demonstrated that consumers and brands can also end up in divorce (Hemetsberger, Kittinger-Rosanelli, and Friedmann, 2009). Hence, it can be understood that the intensity of love in consumer–brand relationships can also reduce. An understanding of what causes a reduction of intensity can be a crucial insight for marketers. Thus, the objective of the present study is to understand how love for a brand forms and what causes the reduction in feelings of love for a brand.

Specifically, the present study attempts to answer the below two research questions:

RQ1: *What are the turning points that shape the trajectories of brand love?*

RQ2: *How do brand love trajectories evolve over a period of time?*

Brand love as a concept has been examined in various contexts such as fashion (Joshi and Garg, 2020), wine (Correia Loureiro and Kaufmann, 2013), destinations (Amaro, Barroco, and Antunes, 2020), etc. However, the construct has received limited attention in the context of electronic appliances. Electronic appliances as a category includes both consumer electronics and household appliances that are often sold by the same retailer¹. While consumer electronics (e.g., mobile phones, laptops, etc.) are consumed both privately and publicly, household appliances are generally used in private spaces (e.g., Trimmers, Washing Machines, etc.). Hence, the category contains offerings that address both symbolic and functional needs of the consumers. An examination of consumer responses to the offerings of such a category can provide a deeper understanding of the phenomenon (Joshi and Garg, 2020).

The present study has been conducted in Indian geography. India has a population of 1.2 billion people, which indicates that the Indian market is a high potential market (Kumar and Paul, 2018). The revenue of consumer electronics of Indian geography alone stood at USD \$48,575 million in 2020 and revenue from the sale of household appliances stood at USD \$1,308 million in 2020. These revenue figures reiterate the managerial significance of exploring the concept of brand love.

In the following, the present study provides a brief theoretical background. Then, it presents the methodology and explains the turning points that have been identified and the emergent trajectories of brand love. After the elucidation of findings of the paper, the paper presents a discussion section. After the discussion section, the paper provides a section on limitations and future research directions, followed by the conclusion.

THEORETICAL BACKGROUND

Love is regarded as a complex emotion (Correia Loureiro and Kaufmann, 2012) that contains positive and negative elements (Strongman, 1996). The positive elements of this complex emotion are interest, joy, pleasure, happiness, euphoria, etc. Research on love in a consumption context was pioneered by Shimp and Madden (1988) based on the Triangular

Theory of Love that was proposed by Sternberg (1986). According to this theory, love is based on three components: intimacy, passion, and decision/commitment. Intimacy is a component that is made of feelings of warmth, closeness, communication, support, and respect. Passion refers to the motivation that is primarily derived from emotion. Decision/commitment is the cognitive component of love that refers to the acknowledgment of love and willingness to stay or maintain a long-lasting love-relationship. Based on these three components, Shimp and Madden, in their conceptual study, suggested that eight possible consumer–object relationships could emerge. They are: nonliking, liking, infatuation, functionalism, utilitarianism, inhibited desire, succumbed desire and loyalty.

Ahuvia (1993, 2005) furthered the literature on brand love by conducting empirical research on consumer’s ability to love objects, such as brands. Using an interpretative paradigm, Ahuvia found that consumers can also develop love for inanimate objects. Further, Ahuvia’s work suggested that there are fundamental similarities between brand love and interpersonal love. This thought process received support from other researchers too (e.g., Thomson, MacInnis, and Park, 2005).

Literature on brand love demonstrates that not everyone has considered brand love as analogous to interpersonal love. In other words, it has been observed that literature was divided in terms of different conceptualizations. In addition to interpersonal conceptualization, there were two other conceptualizations of brand love. One of the two considered brand love as analogous to parasocial relationships (Fetscherin, 2014). Parasocial relationship as a term was introduced by Perse and Rubin (1989) and was based on the concept of parasocial interaction that was developed by Horton and Richard (1956). Parasocial relationships are those that are unidirectional in nature, and only one of the two parties is expected to hold emotions (Fetscherin, 2014). In the context of consumption, only consumers hold emotions for the brands, and they do not expect brands to reciprocate the emotions (Fetscherin, 2014). The third and most significant conceptualization of brand love was posited by Batra et al. (2012), which suggested the use of a grounded theory approach to capture the phenomenon of love in the context of consumption. However, Batra et al. (2012) suggested that it is, in fact, appropriate to use the interpersonal theory in the consumption context, as there is a similarity of the attribute of love in both constructs, though the objects in the relationships are starkly different.

The present study also considers the interpersonal conceptualization of brand love, as companies of this day and age are in a constant dialog with the consumers by responding to queries and grievances promptly and emphatically (Sarkar, 2014).

Research on interpersonal relationships demonstrates that not all relationships progress in the same way (Baxter and Bullis, 1986). That is, there are people who fall in love at first sight and there are also people who gradually end up in love and between these two extremes, there are various interpersonal circumstances that trigger falling in love (Flicker, Sancier-Barbosa, Afroz, Saif, and Mohsin, 2019; Sangrador and Yela, 2000). Barelds and Barelds-Dijkstra (2007), in their research, mentioned that the speed of falling in love has no relation with the ultimate duration or perceived quality of the relationship. Riela, Rodriguez, Aron, Xu and Acevedo (2010) found that 56% of the participants in their study rated their speed of falling in love as “fast or very fast” and 44% of the participants in their study rated their speed of falling in love as “slow or very slow.” Further, their study also mentioned that love at first sight could be attributed to physical appearance, and the speed of love is majorly impacted by dispositional traits such as human personality traits and mate preferences (Riela et al. 2010).

Building on the research of Gupta and Singh (1982), Iyengar (2010), made a similar observation. Iyengar (2010) compared arranged marriages and love marriages in a longitudinal study and found that love marriages tend to score higher than arranged marriages after the first year of marriage on the Rubin love scale, and arranged marriages tend to score higher than love marriages after ten years of marriage on the same scale. This shows that relationships change

from time to time and various factors govern the relationship trajectories. This also explains that the speed of falling in love does not assure the quality of the relationship. Another interesting point that can be inferred from this study is that there can be different paths to love, which are shaped by various factors and circumstances. As brand love is considered analogous to interpersonal love, it can be understood that there can be different trajectories in the case of brand love, too. Relationship trajectory techniques have been used extensively in interpersonal relationships to trace the evolution of the relationships (e.g.: Graham, 1997); however, the use of relationship trajectory techniques in the field of brand love has not been much (Palsuk et al. 2019; Langner et al. 2016).

A review of the literature indicates that past studies on relationship evolutions have been largely influenced by linear stage models (Duck, Rutt, Hoy and Strejc, 1991; Knapp, 1984), which have a beginning, middle, and an end. Though these models are parsimonious and straightforward, they do not offer critical insights pertinent to relationships, as relationships sometimes dissolve only to be reborn in another, and this is a critical aspect in understanding the evolution of relationship trajectories. As seen above, relationships are redefined from time to time and can involve turning points that are instrumental in relationship development and redefinition. The turning point can be defined as “any event or occurrence that is associated with a change in a relationship” and is central to a process view of relationships (Baxter and Bullis, 1986). In other words, turning points are the substance of change in relationships (Baxter & Bullis, 1986).

The concept was first used by Bolton in 1961 and was found to be beneficial in understanding relational processes and changes (Baxter and Bullis, 1986). They are instrumental in triggering a reinterpretation of what relationships mean to the respondents (Graham, 1997). These meanings can influence the perceived importance of the relationships and rationale for staying invested in a particular relationship. For example, most individuals would perceive *prompt corrective action* from the brand as a turning point that signifies a point of relational redefinition. Therefore, turning points in the present study’s context can be viewed as symbolic interpretations and evaluations of events or incidents that shape brand love relationships. Roughly, turning points can be understood as factors that cause a change in the development of brand love trajectories. Understanding the turning points in the context of brand love (consumer–brand relationships) can help practitioners craft better strategies.

The first empirical study in this direction was conducted by Langner et al. (2016), who used Rossiter’s (2012) brand love measure (hate, dislike, neutral, like and love). Brand love measure of Rossiter (2012) was chosen for Y-axis (hate and dislike on the negative Y-axis and like and love on the positive Y-axis), and the time period from the first contact to today was chosen for X-axis by Langner et al. (2016). The study revealed five different types of brand love trajectories. They are: *slow development*, *liking becomes love*, *love all the way*, *bumpy road*, and *turnabout*. The body of work indicated that two types of formative experiences shape these trajectories: integral formative experiences and incidental formative experiences. Integral formative experiences are crafted by the brand managers, and incidental formative experiences are beyond the control of managers. Langner et al. (2016), in their study, noted that the majority of the experiences that shape brand love trajectories are incidental and beyond the control of managers. Thereby, Langner et al. (2016) specifically posited that achieving brand love formation is “serendipitous.”

The study of Langner et al. (2016) has been highly beneficial, as the study could effectively demonstrate that consumer–brand relationships similar to interpersonal relationships do not follow a particular path. The present study is an extension of the study of Langner et al. (2016) by studying the development of brand love trajectories through the lens of turning points as they are effective in describing relational processes and change (Baxter and Bullis, 1986).

METHODOLOGY

To address the objectives of the study, the authors employed the qualitative research method, as it unravels the meanings that people ascribe to a social phenomenon and provides the reasons for underlying behaviors (Weinrich, 1996). Further, the present study was conducted in India, an emerging market (Kumar and Paul, 2018; Sarkar and Sarkar, 2016). Indian population is young and has been noted as the population that enjoys shopping (Atwal and Bryson, 2014). Love is an experiential consumption and is expected to reach a peak at a young age (Belk, Ger and Askegaard, 2003). Therefore, the present study employed young adults who experienced brand love as respondents. In this regard, the personal networks of the authors were used for identifying respondents (Lee, Noh and Kim, 2013). In addition to this, the authors also leveraged social media sites and snowballing sampling technique to find a suitable sample. Interview requests were posted on the authors' personal pages and on various relevant pages to select respondents.

Sampling Technique

The study employed a purposive sampling approach to choose respondents who suited the study requirements (Kuzel, 1992; Palys and Atchison, 2008). Sampling for the present study followed a two-step process. Participants who showed interest in the study were asked to briefly outline their love for their favorite electronic appliances brand. To validate the emotional bond, Carroll and Ahuvia's (2006) scale of brand love was chosen as a screening criterion. The scale items were used as a screening questionnaire and were administered to the potential sample of the present study. All the respondents who chose Strongly Agree and Agree (a five-point Likert scale was used for this purpose) for all the positively coded questions were chosen as respondents for the present study. One hundred twenty-seven participants took part in the sampling process (the majority of them did not fall in the sample category). The authors interviewed only the participants who suited the requirements (those who chose Strongly Agree and Agree as responses for the positively coded questions) of the study. The authors fixed appointments as per the convenience of the respondents. All the respondents were briefed about the study's objective and were assured that all the information would be kept confidential. The final sample of the present study stood at 30, after which the data collection was stopped as authors were experiencing theoretical saturation (Lincoln and Guba, 1986).

Respondents' Profiles

The average age reported by the respondents was 28.03 years, with the range being 22 to 40. The mean annual family income of the respondents was 1,811,667 rupees, which is equivalent to USD 24,155.56 (1 USD = 75 Rupees). The average annual income of the respondents was observed to be high in the Indian context (Sarkar, Sarkar, and Rao, 2016), and it was assumed that affluent consumers would engage more in experiential consumption due to higher disposable income (Atwal and Bryson, 2014). The respondents included students, businesspeople, and working professionals from various parts of the country. India is a land of diversity and drawing a sample from various parts of the country broadened the scope of the data (Sarkar, 2014).

Data Collection

All authors were involved in data collection. Semi-structured and Retrospective Interview Techniques (RIT) were used to collect data. The data collection began with the semi-structured interview technique to understand the underlying reasons for loving their respective brands (Creswell, Hanson, Clark Plano, and Morales, 2007). To this end, each respondent was asked to describe their loved brand, experiences with the loved brand, reasons for loving the brand, and their efforts to stay close to the loved brand. Probing questions were also used

wherever it was deemed necessary. After this deliberate memory priming interviewing, the authors used RIT for the collection of data; an approach used to capture turning points (Baxter and Bullis, 1986; Huston, Surra, Fitzgerald, and Cate, 1981). Using this technique, the authors of the study captured all of the turning points (along with sketching of the path) of each respondent with his or her loved brand since the first contact to present moment on a graph template that was used by Langner et al. (2016). The X-axis of the template represented the time, and the Y-axis represented the intensity of feelings where liking and love were on the positive end and dislike and hate on the negative axis. At each identified turning point, the authors probed for additional information. The verbal descriptions were recorded and transcribed for further analysis. On average, each interview lasted for about 65 minutes. After plotting the graph, each respondent was given adequate time to make any alterations, if necessary. All the 30 graphs collected during this process were scanned and shared electronically with all three authors for further analysis.

Data Analysis

After completing the transcription process, the authors read and re-read all the transcripts to familiarize themselves with the data. This was followed by a coding process to categorize various turning points that have been observed. To this end, the authors used the constant comparison method (Glaser and Strauss, 1967). All the authors carried out the analysis independently, and the final categories were refined in consultation with each other. In case of any disagreement, the authors deliberated until consensus was reached. During the coding process, the authors also conducted a member check procedure (Bitsch, 2005) by meeting the respondents to verify if the interpretations of the authors were in tune with the intended meaning of the informants.

In addition to the above analysis, the authors also categorized the emerging brand love trajectories. The authors used the constant comparison method (Glaser & Strauss, 1967) to determine similarities among the RIT graphs (trajectories) for categorization purposes. The authors deliberated until a consensus was reached. Disagreements in the whole process were amicably sorted. At the end of this process, five types of brand love trajectories were ascertained: *Turnaround to Love*, *Drop in Love*, *Liking to Love*, *Gradual Development*, and *Roller Coaster Ride*.

FINDINGS

Turning Points in Brand Love Trajectories

A total of 98 turning points were identified at the end of the process, with a mean of 3.26 turning points per respondent. These 98 turning points were finally categorized under nine broad categories, with six turning points being positive and three turning points being negative, as shown in Table 1.

Positive Turning Points

Positive turning points are events that have helped the trajectories in the development process of love for the brand. As per the analysis, 71 positive turning points were observed.

Functional Value. From Table 1, it can be understood that functional value is the most frequently reported turning point in the development of brand love. Functional value can be defined as the utility received from a brand's perceived quality and expected performance (Sweeney and Soutar, 2001).

Table 1: Frequencies of Turning Points

| No. | Turning Points | Frequency (N=98) |
|------|-----------------------------------|-------------------------|
| | A. Positive Turning Points | Frequency (N=71) |
| i. | Functional Value | 42 |
| ii. | Positive Peer Influence | 15 |
| iii. | Prompt Corrective Action | 5 |
| iv. | Spokesperson Endorser Influence | 1 |
| v. | Hedonism | 5 |
| vi. | Social Value | 3 |
| | B. Negative Turning Points | Frequency (N=27) |
| i. | High Price | 9 |
| ii. | Negative Past Experience | 16 |
| iii. | Negative Peer Influence | 2 |

“It was actually very slim, had a very good quality build-up, and had that sandy texture, which was not used by any phone at that time. It caught my attention. I used it for a while. I was very impressed by the smoothness and safety features.”
(R1, One Plus)

“When I used it for my activities, I could see that even with less storage, it was even able to outperform windows machine for computational activities. These things triggered a positive affect, and that became love over a period of time.”
(R6, Apple)

“I get the quality here. The speed of the mobile doesn’t change. From day one, it more or less remains the same. That is something that is attracting me towards Apple.” (R10, Apple)

Though brand love describes the emotional nature of consumer–brand relationships, one must not forget that brand love has a cognitive grounding (Sarkar, 2014; Fournier, 1998). Further, Batra et al. (2012) found that consumers love brands that offer superior performance, superior value for money, and superior attributes. Thus, for a brand to be loved, it must be a brand that offers superior functional values. It has also been noted that “cognitive activity causally precedes an emotion in the flow of psychological events” (Lazarus, 1999). Hence, for the brand love to form, it is also imperative for the brand to deliver on the rational attributes, failing which the formation of brand love is hindered (Huber, Meyer and Schmid, 2015). As love is a post-consumption evaluative response (Thomson et al. 2005), cognitive satisfaction derived from a brand is crucial for the formation of brand love. This emotional satisfaction that occurs because of cognitive attributes has been found to match the effect of emotional satisfaction that is gained from hedonic attributes (Fournier, 1998; Carrol and Ahuvia, 2006). Hence, the realization of superior functional value was considered as a positive turning point.

Positive Peer Influence. The second turning point, “positive peer influence,” was the second most reported positive turning point. It refers to the events where friends and family have influenced the respondents positively. The below illustrations can shed some light on this turning point:

“I bought the phone [iPhone] because all my friends were using iPhone, so from negative feelings, I developed some positive feelings for iPhone.” (R13, Apple) (Quote 1)

“Slowly what happened is I started getting testimonials from my friends who were using Macbook. [...] That is when my liking started taking a very steep inclination”. (R6, Apple) (Quote 2)

“Actually, in Punjab, everybody had an Apple iPhone. It is a cultural norm. If you did not have, you are considered an outlier.” (R9, Apple) (Quote 3)

A literature review suggests that consumer behavior cannot be fully understood without considering the interpersonal influence on the development of attitudes, norms, values, aspirations, and purchase behavior (Stafford and Cohanougher, 1977). Additionally, past research has also shown that consumers can love objects just to strengthen their social relationships (Miller, 1998). A comprehensive review and analysis of articles on various aspects of susceptibility to interpersonal influence by McGuire (1968) concluded that susceptibility to interpersonal influence varies across people. A person’s ability to be influenced in one situation tends to significantly impact a range of other situations. Consumer susceptibility to interpersonal influence can be defined as the need of a consumer to identify with or enhance one’s image in the eyes of significant others through the purchase and use of products and brands (Bearden, Netmeyer, and Teel, 1989).

Research in consumer behavior showed that interpersonal influence is manifested through normative influence or informational influence (Deutsch and Gerard, 1955). Normative influence can be understood as a tendency to conform to the expectations of others (Burnkrant and Cousineau, 1975). Further, literature in consumer behavior has divided normative influence into value expressive and utilitarian influences (Bearden and Etzel, 1982; Park and Lessig, 1977). Value expressiveness can be understood as an individual’s desire to better the self–image by associating with a reference group. This type of interpersonal influence is motivated by an individual’s desire to better his or her self–concept through referent group identification (Kelman, 1961). It can be observed from quote 1 that the respondent developed some positive feelings for the brand because all her friends used the same brand.

Utilitarian influence, the other type of normative influence, is seen in individuals’ attempts to stay in tune with the expectations of others to achieve rewards or avoid punishments (Burnkrant and Cousineau, 1975; Bearden and Etzel, 1982). From quote 3, it can be understood that the respondent was under the utilitarian influence and had to have an iPhone, as he would be considered an “outlier” if he did not have one.

On the other hand, informational influence can be understood as a tendency to accept information from others as evidence about reality (Deutsch and Gerard, 1955). According to Park and Lessig (1975), informational influence occurs either by searching for knowledgeable individuals or by making inferences based on the observation of the behavior of others. This can be observed in the excerpt of R6 (second quote), who mentioned that his liking for the brand took a ‘steep inclination’ once he started getting testimonials from the people who used Macbook. Therefore, a positive informational influence that acts as evidence can trigger cognitive satisfaction, leading to the formation of strong brand love (Oliver, 1999). Keeping

all the above substantiations in view, it can be concluded that the *positive peer influence* turning point helps in the development of brand love trajectory.

Prompt Corrective Action by Brand. Prompt corrective action can be understood as the measures taken up by a brand to bring back a product to the stage of normalcy. This turning point refers to the post-purchase services of the firm in case of a performance failure. Below is an excerpt that illustrates the prompt corrective action turning point.

“I had an issue with my Macbook charger, for which I had to visit the service center. [...] They followed up with me very well. The kind of prompt response that I wanted they matched to it. They stuck to their deadlines. They were very prompt.” (R2, Apple) (Quote 4)

“Apart from the utility, the second thing is service. I had a couple of problems; they were only hardware problems, not software problems. Whenever I went to a Lenovo service store, they repaired my laptop in a day or two without any fuss. It values its customers and tries to give the best service. That was something that attracted me.” (R4, Lenovo) (Quote 5)

“There is an application on my phone, where if I register a complaint, they come and pick up the phone. That is the feature that they give you. This I am talking about the post-sales support. Any part of the hardware or software, it does not get damaged; even if it does, they will change it immediately. [...] posted something about a very common problem of One Plus [on Facebook]. I was really amazed to see that One Plus responded within two minutes. I was really impressed by that.” (R1, One Plus)

Literature has shown that successful performance and positive events with respect to the interaction with a brand are instrumental in driving customer satisfaction (Bitner, Booms, and Tetreault, 1990). The experiences that are instrumental in shaping the customer evaluations of a firm that is executing the service are rooted in their reactions to how they were treated by the employees of the firm (Bitner, 1995). Hence, the attitudes, behaviors, and expertise of service employees in these encounters capture the performance of the firm (Brady and Cronin, 2001). Further, attention and valuing of the particularity, understanding and responsibility have been identified as the three dimensions of respect, and any combination of these components will seed respect (Ali and Ndubisi, 2011; Dillon, 1992). Respect has been observed as one of the most effective ways for brands to forge relationships with consumers because respect includes being moral, compassionate, and responsive towards consumers (Ali and Ndubisi, 2011; Dillon, 1992).

This positive experience with a brand’s employees (and post-purchase service) can lead to positive evaluations of the brand and cognitive satisfaction. As brand love is the amount of passionate, emotional attachment that a satisfied consumer has for a particular trade name (Carroll and Ahuvia, 2006), it can be concluded that prompt corrective action can lead to the formation of brand love. It can be understood from quotes 4 and 5 that the brands were responsive to the consumers in solving performance failures. Thus, by being prompt in taking corrective actions, the consumers have received respect from the brand. This is evident from quote 5 of the respondent, who said that the brand values its customers. Further, respect has been observed as an indicator of interpersonal love (Hendrick and Hendrick, 2006). Hence prompt corrective action by a brand has been found as a turning point of brand love trajectory.

Hedonism. Hedonism was observed to be a significant marker event in the present study. The below excerpts shed some light on the same:

“I used to play PUBG and all high end [graphic] games, when these games used to play without any glitches, without any lag then I used to feel good.” (R7, One Plus)

“The product was also visually very good. I loved using that product.” (R30, Asus) (Quote 18)

“The bright logo that appears fascinated me so much. There is no doubt that Macbook is beautiful, the design and the sleekness are all very good.” (R21, Apple) (Quote 19)

Hedonism can be defined as positive feelings of pleasure, fun, excitement, and enjoyment (Triantafillidou and Siomkos, 2014). Research suggests that hedonic experience has been commonly seen in young people (Wilska, 2003). Hedonism has emerged as a crucial turning point as consumers purchase products or brands because they expect some benefit from the consumption experience (Leroi-Werelds, Streukens, Brady and Swinen, 2014). On this account, the concept of customer value started gaining prominence in the area of consumer behavior (Zeithaml, 1988; Woodruff, 1997; Smith and Colgate, 2007). To this end, Holbrook (1996) specifically differentiated two types of value: extrinsic and intrinsic value.

Extrinsic value refers to the instrumentality of a brand and covers the potential ability to perform a function by providing a superior perceived quality (Holbrook, 1996). On the other hand, intrinsic value refers to the feelings such as enjoyment, pleasure, fun, or excitement experienced on using a brand (Holbrook, 1996) and these experiences have been found to create a strong emotional base that can lead to the formation of a robust consumer-brand relationship (Sheth, Newman, and Gross, 1991; Fournier, 1998; Smith and Colgate, 2007). Further, it has been found that hedonism gives rise to delight (Chitturi, Raghunathan and Mahajan, 2008), which, in turn, can generate higher levels of arousal (Oliver, 1997). Hence, hedonism has been found to be a turning point in the development of brand love trajectories.

Social Value. Social value was also found to be a turning point in the development of brand love trajectories. The below excerpts indicate social value as a turning point:

“Samsung was an aspirational brand, and I wanted to have an image like Samsung, that is being relevant and cool. [...] Since our college days, Samsung was always treated well in my peer circle”. (R28, Samsung) (Quote 16)

“If you are a Sony user, you are a premium user. That’s the feel. There were many phones even then Samsung, Sony, Nokia, but Sony was considered premium. I don’t have to say anything about myself, but my Sony phone would do the talking for me, even if the Sony phone was not so expensive”. (R22, Sony) (Quote 17)

A literature review suggests that consumers use brands to shape their identities (Malar, Krohmer, Hoyer, and Nyffenegger, 2011) and establish themselves in a social context (Naylor and Kleiser, 2002; Sprott, Czellar, and Spangenberg, 2009; Wallace et al. 2014). Consumers attempt to incorporate the features of a brand into their own identity by purchasing and consuming the brand (Becerra and Badrinaryanan, 2013). Hence, in addition to performing various functions, brands also provide value to the consumers by serving as a platform to

express themselves and to differentiate themselves from others in a social context. This value is referred to as social value. Social value is defined as the utility derived from the ability to enhance one's social self-concept through the consumption of value-offering (Sweeney and Soutar, 2001). Self-concept can be understood as "the totality of the individual's thoughts and feelings having reference to himself as an object" (Rosenberg, 1979, p.7). Self-concept has four dimensions: actual self-image, ideal self-image, social self-image, and inner self-image (Dolich, 1969). Quotes 16 and 17 indicate that the respondents derived enhancement of social self on purchasing and consuming their loved brands. Past research has shown that a strong connection between social-self of an individual and brand can lead to enhancement of social-self. This enhancement can, in turn, lead to strong affective responses for the brand (Aaker, 1997; Naylor and Kleiser, 2002; Carroll and Ahuvia, 2006; Bergkvist and Bech-Larsen, 2010; Malar et al. 2011). Further, it has also been noted that a brand that fits a consumer's personality and facilitates a consumer to express his or her social-self will also deliver the consumer a sense of comfort (Huber et al. 2015). Hence, it can be concluded that social value leads to the formation of brand love.

Spokesperson Endorser Influence. As per the analysis of the paper, spokesperson endorser influence was found to be a turning point in the development of brand love trajectories. The illustration of this turning point reads as below:

"I pretty much knew about Apple and products of Apple from 2010. One of the key reasons for me to love the brand initially was Steve Jobs. There was this weird fascination to own Apple products which included iPhone, Macbook, and iPad, though I did not own one then. So, I used to follow Apple keynotes and releases very rigorously." (R12, Apple) (Quote 7)

It has been established that consumers are always in the process of defining their self-identities and desired self-images (Escalas, 2004). Consumers tend to buy certain brands in view of this process, as these brands would facilitate fulfilling of self-definitional needs (Belk, 1988). According to the theory of meaning movement (McCracken, 1989), cultural meanings from cultural space are transferred to objects. This is because brands have the ability to possess strong symbolic associations that are instrumental in making a match with consumer's sense of self. Over a period of time, these brands develop strong relationships with consumers and generally facilitate favorable brand attitudes and behavioral intentions (Escalas, 2004). In the same line of thought, McCracken (1989) explained a theory of meaning movement, a process by which cultural meanings are moved from cultural space to material objects and into the lives of consumers. When an endorser is associated with a brand, there is a transfer of the endorser's personality and lifestyle-related associations into the brand (and the products of the brand) (McCracken, 1989). If the brand endorser transfers symbolic associations that are in tune with the self-concept of a consumer, then the consumer can develop a strong equation with the brand and also develop favorable brand attitudes and behavioral intentions. In other words, consumers have a strong drive to act in a manner that can establish or enhance their ideal-self, and in this process, they consider certain endorsers (or people with strong social presence) as inspirational personalities, which can trigger the activation of ideal – self (Boon and Lomore, 2001; Escalas and Bettman, 2003). Hence, to achieve this ideal self, consumers are inclined to conform to or follow the attitudes and behaviors of these endorsers. Keeping this in view, it can be concluded that endorser influence impacts brand love positively.

Negative Turning Points

Negative turning points are those events that have hindered the development of brand love trajectories. A total of 27 negative turning points were observed in the present study.

High Price. From the analysis, it has been understood that high price is the most observed negative turning point. A typical illustration of this turning point reads as follows:

“Initially, I felt the phone was unnecessarily expensive.” (R13, Apple)

“I realized that for a phone with these features, this price is way too high.” (R2, Apple)

“I do not have such love feelings for the brand now. I have realized that the brand is releasing way too expensive phones.” (R26, Apple)

A literature review suggests that price and value are related constructs (Sheth et al. 1991). While price measures the monetary sacrifice that a consumer had to make to obtain a product or service, value refers to the consumer's judgment in terms of the benefit(s) received. Additionally, price can be judged easily, but value has an idiosyncratic and personal component (Zeithaml, 1988). Broadly, consumers understand value as what they pay and receive (Sawyer and Dickson, 1984). This judgment of value by consumers facilitates an internal price reference through which consumers judge prices of the products and prices of similar products (Lalwani and Monroe, 2005).

Further, research has shown that dis/satisfaction is based mainly on value analysis (Day and Crask, 2000). Therefore, if the high price of a brand's product is not justified (Day and Crask, 2000), it can lead to dissatisfaction, an antecedent of brand hate (Bryson, Atwal, and Hulten, 2013). A literature review suggests that prices and related price judgments influence loyalty formation and consumption behavior (Thomson et al. 2005). Further, loving brand relationships are driven by rational components (Langner et al. 2015). This was also noted by Huber et al. (2015), who mentioned that the role of rational benefits in brand love increases with the increase in relationship duration. Thus, high prices of a brand can lead to cognitive dissatisfaction. To add to it, brand love, which is based on cognition, is weakened as cognitive dissatisfaction leads to weaker brand love. Hence, the trajectories of brand love experienced a dip due to high price.

Negative Peer Influence. Negative peer influence refers to those critical incidents where friends and families of respondents have triggered negative feelings about a brand. Few descriptions are given below:

“I was surrounded by friends [peers] who criticized Macbook; hence I never thought of buying a Macbook”. (R2, Apple)

“My best friends did not like Apple; hence even I had negative feelings for Apple”. (R13, Apple)

From the above excerpts of the interview, it can be understood that the respondents did not consider purchasing Apple as they did not want to project themselves negatively to the peer group or significant others. Research has shown that negative association of brand image and desired social image are important determinants of brand hate (Hegner, Fetscherin, and Van Delzen, 2017). The incongruence between the desired social self and the brand image results in a phenomenon called brand embarrassment. In other words, negative brand social expressiveness is a significant factor for causing brand embarrassment (Sarkar, Sarkar J G, Sreejesh, Anusree and Rishi, 2020). Brand embarrassment is a feeling of awkwardness experienced by consumers and is based on the perception of getting negatively evaluated by others while consuming a brand in a social context (Sarkar and Sarkar, 2017).

Further, Walsh, Albrecht, Hofacker, Grant, and Takahashi (2016), in their research, mentioned that brand embarrassment is a consumer's self-conscious emotion and impacts purchase decisions. In addition to impacting purchasing decisions, brand embarrassment creates brand hate (Sarkar et al. 2020). From this perspective, a negative interpersonal influence turning point pulls the trajectories of brand love downwards towards feelings of dislike and hate. Hence, negative peer influence impacts brand love negatively.

Negative Past Experience. Below are the few excerpts that illustrate negative past experiences with brands from the interviews of the respondents:

“The cable wire got broken and another thing is that there is a pin in the earphone jack which got broken so I could not use the earphone jack. So, I had to buy a Bluetooth earphone. This is the first time that something in a phone that got broken. So, I was a little disappointed at that point in time”. (R7, One Plus)

“The model had a huge hinge problem like the hinges of the laptop used to run out in a year or so. I had to replace the hinges like three to four times now”. (R4, Lenovo)

“I realized that Bose had better noise cancellation when compared to Sennheiser, that disappointed me so much”. (R20, Sennheiser)

“I loved using that product until last year, when the service guys did not do a good job but started blaming me for some internal damage. [...] I strongly feel the internal damage was done by one of those service guys in the process of repairing. For the first time, I just let it go because all this while Asus had given me a good experience. But the same thing happened again, this time I was so mad at them. I also did not like the way they communicated with me. My love for the brand instantly dropped”. (R30, Asus) (Quote 6)

Negative product experiences can be either because of the failure of products, dissatisfaction with the offering, or negative country of origin associations and service failures (Hegner et al., 2017; Bitner et al., 1990). Literature suggests that consumers buy various brands for various reasons; however, the most basic expectation of any consumer is an adequate product or service performance (Lee et al. 2009a, 2009b). After consuming a product or service, consumers compare their initial expectations of a product or service with the actual performance, and consumer expectations can be met or unmet (Oliver, 1980; Halstead, 1989). When consumers' expectations of a brand match the performance, it results in confirmation, thereby satisfaction (Hegner et al. 2017). On the other hand, disconfirmation occurs when consumers' expectations are either above or below the actual performance (Oliver, 1980). Further, negative disconfirmation occurs when the actual performance of a brand is below the expectations, which can eventually result in dissatisfaction (Oliver, 1980). This dissatisfaction is a strong determinant of brand hate (Bryson, Atwal, and Hulten, 2013; Zarantanello, Romani, Grappi, and Bagozzi, 2016). Additionally, past research has shown that disconfirmation leads to distrust (Nam, Baker, Ahmad, and Goo, 2020). As trust is a crucial component of brand love (Fehr, 1998), a negative impact on trust can lead to a drop in the positive feelings for the brand.

In addition to the performance failures, research has shown that customers who experience service failures are found to love a brand less intensely, perceive a brand less favorably and are also found to exhibit less happiness (Aaker, Fournier, and Brasel, 2004; Soscia, 2008) as seen

in quote six. Specifically, as seen in quote six, it has been noted that repeated experiences of performance failures can lead to the elicitation of anger (Oliver and Westbrook, 1993), a component of brand hate (Fetscherin, 2019). Further, Hegner, Fetscherin, and Delzen (2017) found that there is a positive relationship between negative past experience and brand hate. Therefore, it can be concluded that negative experiences with the product can lead to a dip in the trajectories of love.

TRAJECTORIES OF BRAND LOVE

As mentioned previously, five categories of brand love trajectories (patterns) were inductively derived as per the coding process. The resulting patterns are illustrated as below:

Table 2: Turning Points Observed Across Trajectory Types

| Trajectory Types | Trajectory Names | Turning Points Observed |
|------------------|---------------------|--|
| I | Turnaround to Love | Positive Peer Influence; High Price; Negative Peer Influence; Functional Value; Prompt Corrective Action; Negative Past Experience; Hedonism; Social Value |
| II | Drop in Love | Positive Peer Influence; High Price; Functional Value; Negative Past Experience; Hedonism |
| III | Gradual Development | Positive Peer Influence; Functional Value; Negative Past Experience; Endorser Influence; Hedonism; Social Value |
| IV | Liking to Love | Positive Peer Influence; High Price; Functional Value; Negative Past Experience; Hedonism; Social Value |
| V | Roller Coaster Ride | Positive Peer Influence; High Price; Negative Peer Influence; Functional Value; Prompt Corrective Action; Negative Past Experience |

Tables 3 and 4 provide additional information about the brand love trajectories.

Turnaround to Love

The first type of trajectory (refer to Fig. 1a), *Turnaround to Love*, where five respondents were categorized under this trajectory type, indicates a reversal of the curves from negative affect zone to positive affect zone. The respondents categorized under this trajectory initially held negative feelings for their favorite brands due to high price and negative peer influence. However, the respondents developed positive feelings for these brands due to functional value, hedonism, and social value. A typical illustration of this type of trajectory is:

“It was not love at first sight. It seemed to me like Apple was overpricing its product just to be in the luxurious category without even providing the required specifications or features. [...] and when I used it for my activities, I could see that even with less storage, it was even able to outperform windows machine for computational activities. These things like triggered a positive affect and that became love over a period of time” (Respondent 6, Apple) (Quote 14).

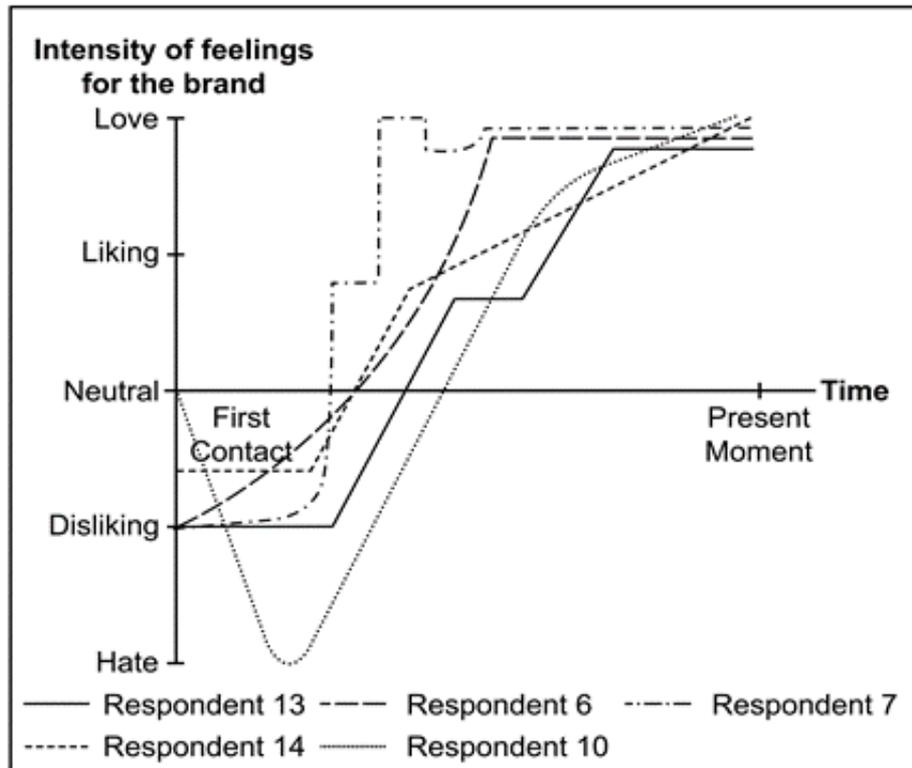
Another illustration of this type of trajectory reads as follows:

“Initially I had a negative perception about iPhones because it was too expensive, and it was not well-suited for Indian use” (Respondent 10, Apple) (Quote 15).

Interestingly, all the respondents whose paths turned positive experienced a flat path at the present moment, as one of the respondents stated,

“[...] after that my journey is like stable” (Respondent 7, One Plus).

Figure 1A: Type I—Turnaround to Love



Drop in Love

Drop in Love depicts a reduction in the intensity of positive feelings (refer to Figure 1B). The respondents categorized under this trajectory type, experienced drop in intensity of feelings, after reaching a state of love, due to negative experience and high price. Five respondents were categorized under this trajectory type. Interestingly, all the respondents of this trajectory have terminated their relationships with their loved brands. One of the respondents who was asked to explain the entire journey said:

“I think from 2011, I liked it. By the time it was Apple iPhone 4 or 5 during 2016-17, I was in the love stage. After iPhone 6S, it declined. It was not able to meet up to my expectations, and it inconvenienced me on several occasions, which led to many other problems” (Respondent 9, Apple) (Quote 8).

Further, it was observed that the respondent still held positive feelings even after switching to another brand:

Table 3: Frequencies of Turning Points Across Trajectories

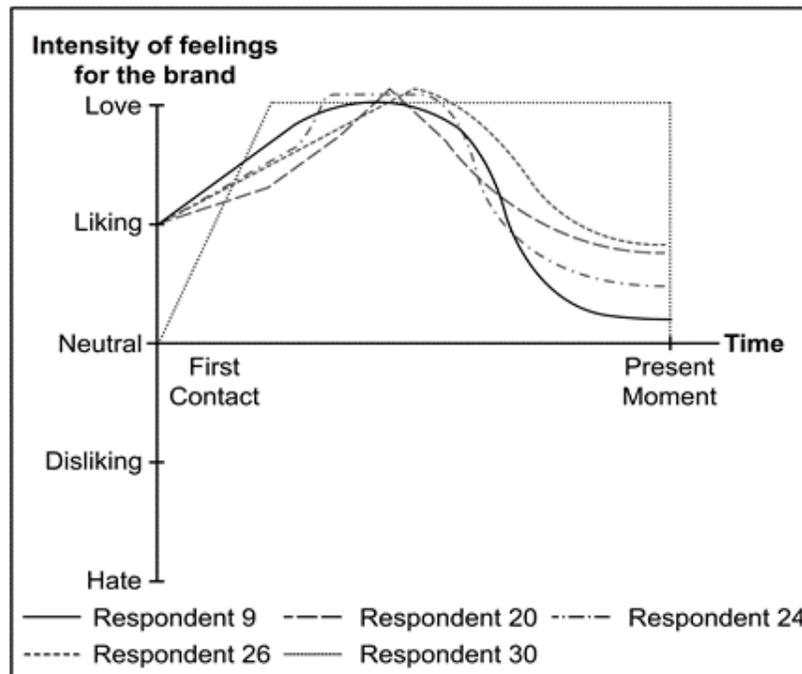
| Trajectory Types | <i>Positive Peer Influence</i> | <i>High Price</i> | <i>Negative Peer Influence</i> | <i>Functional Value</i> | <i>Prompt Corrective Action</i> | <i>Negative Past Experience</i> | <i>Endorser Influence</i> | <i>Hedonism</i> | <i>Social Value</i> |
|----------------------------|--------------------------------|-------------------|--------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------------|-----------------|---------------------|
| Turnaround to Love | 2 | 4 | 1 | 8 | 1 | 1 | | 1 | 1 |
| Drop in Love | 3 | 2 | | 5 | | 5 | | 1 | |
| Gradual Development | 4 | | | 13 | | 3 | 1 | 2 | 1 |
| Liking to Love | 4 | 2 | | 15 | | 3 | | 1 | 1 |
| Rollercoaster Ride | 2 | 1 | 1 | 1 | 4 | 4 | | | |
| SUM: | 15 | 9 | 2 | 42 | 5 | 16 | 1 | 5 | 3 |
| | | | | | | | | | |

Table 4: Number of Respondents Across Trajectories

| Trajectory Type | Number of Respondents |
|------------------------|------------------------------|
| Turnaround to Love | 5 |
| Drop in Love | 5 |
| Gradual Development | 8 |
| Liking to Love | 5 |
| Roller Coaster Ride | 2 |

“I still love Apple (iPhone), it’s not like I hate Apple (iPhone). I really like it. I appreciate it really that, Apple (iPhone) is something, but it is not for me now” (Quote 12).

Figure 1B: Type II—Drop in Love



Another respondent who also fell under this category and had terminated his relationship with the brand mentioned:

“It broke my heart. It is a very bad experience because I was letting go off my companion of ten years” (Respondent 30, Asus).

When asked about the status of perceptions for the brand, he said:

“I still feel it is a respectable brand and there is every chance of revival, if need be” (Quote 13).

From the quote above, it can be understood that people break up with the brands that they love, and the breakup can be a painful experience too. Another respondent was found to have reduced his intensity of feelings, as the brand has increased its prices over a period, which has forced him to rethink continuing his relationship with the brand:

“I have found that Apple is a very good phone. All the features of the phone are really good. [...] I am disappointed with the price range of the phones. The brand is too expensive” (Respondent 26, Apple) (Quote 9).

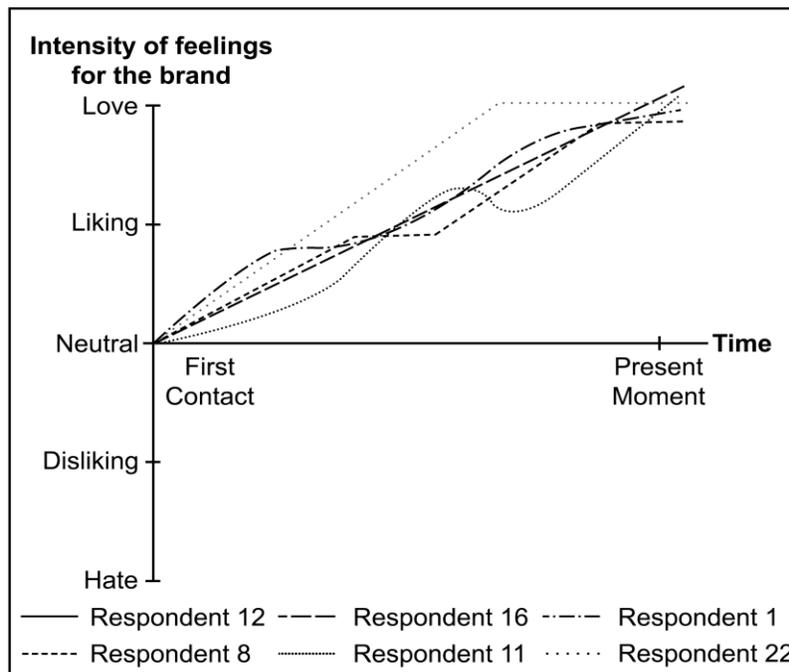
Further, another respondent of this trajectory type terminated his relationship with his loved brand because the brand was expensive. The illustration of the same is as follows:

“I am not using a Sennheiser right now. It’s expensive, my other earphones which are of some other company is giving a better feature for a lower price” (Respondent 20, Sennheiser) (Quote 10).

Another respondent also experienced a drop in the feelings when his favorite brand did not continue to provide offerings to public at large. The illustration of this is as follows:

“It’s a shame that they did not evolve but they held onto their model. Eventually they fell behind. I would have loved had they evolved. It was disappointing. [...] They misread the demand. They were quite complacent with whatever they had. When the crisis came, I was kind of lost” (Respondent 24, Nokia) (Quote 11).

Figure 1C: Type III—Gradual Development



Gradual Development

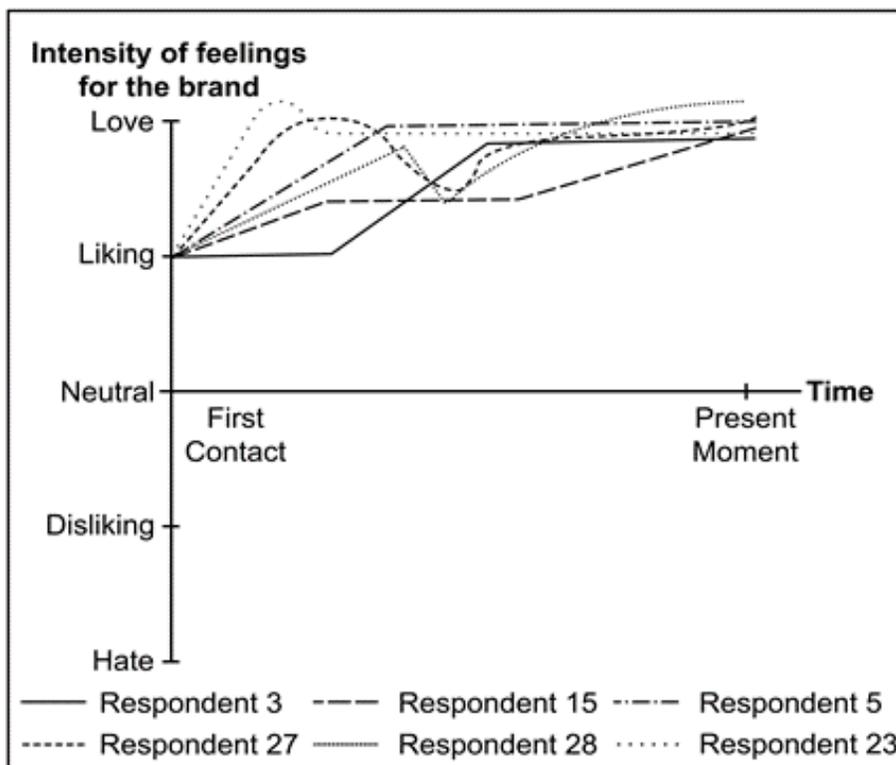
The third brand love trajectory (refer to Figure 1C), *Gradual Development*, refers to the slow and steady progress toward a fully intense positive feeling of love. The respondents categorized under this trajectory type experienced steady increase in feelings due to functional value, positive peer influence, hedonism, and social value. As illustrated in the figure, most respondents had neutral feelings at the first contact, and over a period of time all the respondents developed love-like feelings, eight respondents were categorized under this trajectory. A typical illustration of this type of trajectory reads as follows:

“I had neutral notion about the brand. I got to know about this particular product from my friend and he recommended me, then I bought it, I had a positive experience using it, I was delighted. I liked it, and since then, it’s a completely positive graph” (Respondent 8, Philips Trimmer).

Another respondent of the same trajectory type started off with a slightly positive affect, typifying his trajectory; he mentioned:

“So I pretty much knew about Apple and products of Apple from 2010. One of the key reasons for me to love the brand was Steve Jobs. I got to know about what they did and how Apple products have been made from 1970s by watching a movie called Pirates of Silicon Valley. I watched that in my college. There was this weird fascination to own Apple products. I used to keep myself updated with all the latest updates and various product lines of Apple” (Respondent 12, Apple).

Figure 1D: Type IV—Liking to Love



Liking to Love

The fourth brand love trajectory (refer to Figure 1D), where ten respondents were categorized under this trajectory, *Liking to Love* refers to the pattern of those respondents who had a liking for that brand from the first contact itself. This type of trajectory has been majorly influenced by functional value turning point. An example of this trajectory type reads as follows: One of the respondents (Respondent 3, Bose), whose love evolved from mere liking stated that:

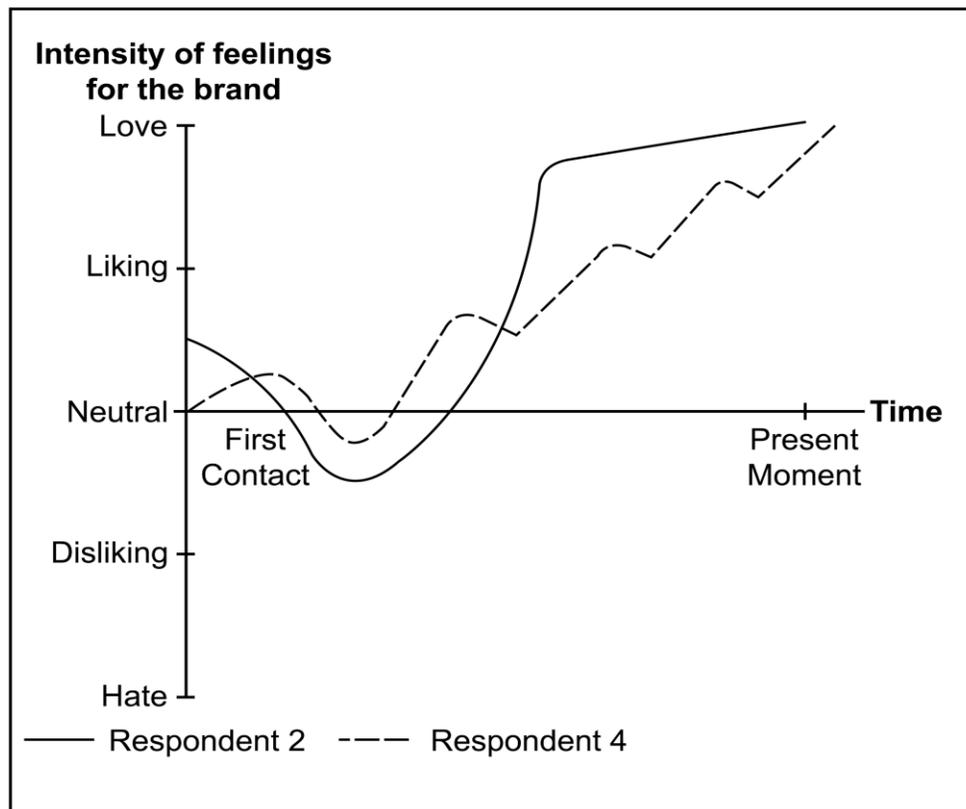
“the first contact happened during the first year of my B. Tech. At my hostel, one of my friends was using the Bose speaker. The sound quality, the loudness, everything

was perfect. Everyone used to appreciate it. When I first went to his room and I heard the music, I really liked it.”

This respondent added further that,

“I happened to go to Kolkata during my semester holidays. There I had walked into an electronics store and I happened to see the same Bose speaker that my friend was using. I could not resist, and I just bought it and I started using it rigorously from that day and my liking became love.”

Figure 1D: Type V—Roller Coaster Ride



Roller Coaster Ride

The fifth brand love trajectory (refer to Figure 1E), where two respondents could be categorized under *Roller Coaster ride*, was characterized by considerable changes and fluctuations. Two respondents were categorized under this trajectory type; both the respondents started off on a positive note, but experienced negative feelings due to negative peer influence and negative past experience. However, both these respondents ended up being in love with their favorite brands. A typical illustration is as follows:

“One of my friends in my college has been using Macbook since a long time [...] he influenced me positively [...] I used his Macbook for quite some time, like 2 – 3 months and I felt the feasibility, the way Macbook functions and its usage really good and is helpful and easy. So, I thought maybe I should give it a try. [...] Earlier, I had HP and that used to crash frequently but now I can use this Macbook without any disruption [...] from there, love for the brand is continuing” (Respondent 2, Apple).

DISCUSSION AND IMPLICATIONS

The purpose of this exploratory study was to illuminate the trajectories of brand love through the lens of turning points. A total of nine turning point categories were identified, and five types of trajectories emerged from the categorization of all the RIT graphs. At a basic level, the study results suggest that there are significant critical events that affect the intensity of feelings that a consumer has for a brand. The identification of 98 turning points and five trajectory types across all the respondents is evidence that consumer–brand relationships are as dynamic as interpersonal relationships. Further, the present study has shown that the element of reciprocity can also be observed in the trajectories which have been positively impacted by brand communication, pricing, and prompt corrective actions initiated by brands. The study ascertains that consumer-brand relationships are bidirectional in nature. Further, the present study has also observed that any positive action initiated by brand, has resulted in increase in the intensity of positive feelings. Of the nine categories of turning points, six types of turning points helped develop brand love trajectories (positive turning points), and three types of turning points were identified as those that hindered the development of brand love trajectories (negative turning points).

Functional value was reported as the most frequently reported turning point, which indicates the perceived brand quality and expected performance of the product (Sweeney and Soutar, 2001). The high frequency of this turning point across the trajectories indicates the importance of rational attributes like superior brand quality and superior performance in the formation of brand love (Sarkar, 2014; Batra et al. 2012). Hedonism was also found as a turning point in the development of brand love trajectories. Rational attributes of a brand provide satisfaction, but hedonic values of a brand provide delight, which creates more arousal (Oliver, 1999). Hence, the brand managers of electronic appliances are advised to provide stimulating and pleasant experiences through their value-offerings. Further, as observed in quotes 18 and 19, aesthetics of electronic appliances plays a major role in providing hedonic benefits. Keeping this in view, brand managers should also place emphasis on producing products that are visually pleasing.

In addition to hedonic values, the present study also showed that social value as a turning point leads to the formation of brand love. Social value, as mentioned previously, is the utility derived from the product’s ability to enhance social self-concept of a consumer (Sweeney and Soutar, 2001). Past research has noted that consumers strongly identified with the objects that they loved as they express their identities and facilitated enhancement of their identities (Belk, 1988; Escalas and Bettman, 2003). This expression of identity not only established a strong connection with the brand, but also facilitated a strengthening of interpersonal relationships (McAlexander, Schouten, and Koenig, 2002). Keeping this in view, managers are encouraged to provide holistic value through their electronic appliances that can lead to the formation of brand love.

The present study also identified that *positive peer influence* as a turning point played a significant role in the formation of brand love. Positive peer influence is characterized by either normative influence or by informational influence (Deutsch and Gerard, 1955). This signifies that brand love formation does not happen only because of the integral brand factors (factors created by brand managers), but also with incidental factors (factors that are beyond the control of managers). As informational influence plays a role in the formation of brand love, brand managers of electronic appliances can consider refer-a-friend program for promotional activities. Since positive peer influence is also characterized by normative influence, brand managers can produce electronic appliances that are self-expressive in nature. Therefore, brand managers can carefully craft product communication that is self-expressive in nature. Interestingly, the frequency of positive peer influence as a turning point was more than the frequency of negative peer influence as a turning point. Managers, then, are encouraged to design programs and build strong brand communities that can constantly facilitate the expression and enhancement of consumers' identities. On the other hand, the present study has also observed that 'negative peer influence' impacts the brand love formation. Interestingly, negative peer influence was observed only in the initial stages of brand love development and had no influence with increased duration.

The second most reported turning point in the present study is *Negative Past Experience*, which was found in all the trajectory types, and the high frequency of this turning point seconds the notion that dissatisfaction will always exist (Huefner and Hunt, 2000). This suggests that managers will have to deal with utmost caution in providing a good product and service experience. A failure in providing a good experience, as observed, can also lead to termination and reduction of brand love, as seen in quote six. However, as a counter to negative past experience, a prompt corrective action has been instrumental in helping the development of brand love, as seen in quotes 4 and 5. So, in addition to providing superior functional attributes, brand managers are also encouraged to provide an adequate post-purchase service which can help in resurrecting the trajectories. Prompt corrective action is essential, keeping in view the high frequency of negative past experiences as a turning point. Failing which, as observed in the present study, can lead to a severe drop in feelings, even for an established consumer-brand relationship. On similar lines, past research has also noted that dissatisfaction can lead to an exit of a consumer and retaliation, which can severely damage the reputation and business of brands (Huefner and Hunt, 2000). Hence, electronic appliances' brands are advised to establish processes so that dissatisfied customers can voice their dissatisfaction. As seen in the past, voice is not just about empowering the customer (Naylor, 2003; Huefner and Hunt, 2000); it is also an opportunity for the brands to strengthen their emotional relationships with consumers. Further, literature has noted that brands that offer resolution reported higher satisfaction than the brands that did not offer resolution (Naylor, 2003). Hence, electronic brands can establish annual maintenance contract schemes and account management practices so that there is continuous feedback in place and a scope to initiate prompt corrective actions which can mitigate the dissatisfaction of consumers created by performance failures (negative past experiences). Further, brands are also advised to establish quick resolution procedures, as the longer the time taken to resolve a problem, the lower is the customer satisfaction level (Naylor, 2003).

The present study has also found that *spokesperson endorser influence* plays an essential role in helping the development of brand love trajectories. Thus, brand managers of electronic appliances should organize various events that can make use of endorsers in promoting the value offerings of the brand.

Though willingness to pay a premium has been regarded as a consequence of brand love (Bairrada et al. 2018), the present study has noted that high price as a turning point hindered the development of brand love. Keeping this in view, the present study suggests managers to design communication in such a way that it justifies the price of their offerings. Pricing needs utmost caution as high price can lead to initial negative feelings about a brand (quote 14 and quote 15) and can also lead to drastic reduction in feelings of love for a brand (quote 8 and quote 9) in the long run.

The present study also found that not everybody starts off with the same intensity of feelings. Interestingly, the present study did not observe any love at first sight type of trajectories which was seen in the study of Langner et al. (2015). This suggests that the consumers of electronic appliances, of Indian geography take considerable time to fall in love with a given brand.

Further, it has been observed that there can be a dip in the intensity in feelings of love (Fig.2b). Interestingly, a few respondents who were categorized under this type of trajectory have terminated their relationships with their loved brands (as seen in quote 8, quote 9, and quote 10). Basing on interpersonal literature, Fajer and Schouten (1995) found that physical separation, new brands replacing the old ones and partner behavior can lead to alienating the other party, as the major reasons for brand relationship termination. The negative turning points that were observed in the trajectory type of drop in love are *Negative Past Experience* and *High Price*. Quotes 8 and 9 suggest that the respective brands exhibited a behavior that has alienated the respondents, which led them to terminate their relationships with their loved brands. On the other hand, quote 11 indicates that the brand ceased to continue in the marketplace which is analogous to the physical separation mentioned by Fajer and Schouten (1995). Further, literature also noted that consumer–brand relationships can deteriorate due to brand dyadic stress (Andreasen, 1984; Fournier, 1998). Brand dyadic stress refers to the damage caused by someone breaking the rules of a relationship, a breach of trust or failure to keep a promise and poor performance of brand or inability to strengthen consumer commitment (Hemetsberger et al. 2009). Brand dyadic stress was observed in quote 10, where it can be understood that the respondent found that the loved brand was not the best, as the respondent could see a competitor brand providing a better value. This amounted to drop in the intensity of feelings because loved brands were praised for being the best available and getting to know that a better brand existed provided a reason for the reduction in intensity of feelings for his favorite brand (Batra et al. 2012). Interestingly, quote 13 suggests that even after a drastic reduction of feelings and termination of relationship with the brand, the respondent showed signs of getting back to the brand. Keeping these instances in view, managers are encouraged to address the grievances (prompt corrective action) with utmost seriousness so that the positive feelings are resurrected. As suggested above, account management practices should be established to counter the drop in intensity of feelings. Additionally, electronic appliances' brands can also introduce mobile applications for addressing such grievances. Top management of these brands can personally monitor the grievance redressal processes, which will only benefit the brands in the long run.

Interestingly, the turning points that led to brand love termination have been *Negative Past Experience* and *High Price*, which are rational in nature. This suggests that consumers and brands can get separated due to rational reasons. Therefore, managers are encouraged to emphasize on the rational attributes like product performance, service delivery and high price. This also suggests that with increasing duration, rational attributes of a brand become more significant for brand lovers (Huber et al. 2015). The present study also showed that even after a drastic reduction in feelings, a few respondents demonstrated positive perceptions about their loved brands which can

be inferred from quote 12 and quote 13. This is because consumers take a longer time to emotionally detach themselves from their loved brands even after physical termination (Hemetsberger et al. 2009). Hence brand managers may consider ameliorating such problems by initiating prompt corrective actions.

The *Turnaround to Love* trajectory type of the present study has signified that a person having dislike and hate for a brand can also be nurtured to the state of brand love. The analysis of the present study has demonstrated that the trajectory type has all the identified negative turning points. However, the most frequently reported negative turning point of the trajectory was *High Price*. Hence, this reiterates that high price of a brand can lead to initial negative feelings of consumers.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The present study is a purely exploratory study and has been specific to Indian context and electronic appliances product category. Future research can explore the trajectories of brand love in other contexts so that the generalizability of the phenomenon can be enhanced. Further, future research can also consider performing a cross-cultural study, as brand love has received limited cross-cultural examination (Palsuk et al. 2019).

The present study is a purely qualitative study, and the results of this study are subjective and not generalizable (Day, 2002). Hence, insights gained from the present study can be used in other studies by employing quantitative research methods.

Researchers can also explore the role of consumer's personality in the development of brand love trajectories. An understanding of personality can help brand managers in designing strategies accordingly. Additionally, future researchers can also look at the influence of gender on brand love development. This insight is crucial because past research has noted that men and women differ in terms of forming relationships with brands (Monga, 2002). Knowledge of the turning points that play a role in this context can help marketers craft suitable strategies.

The RIT method facilitates a depiction of consumer–brand relationships that is rich in information. Keeping this in view, future researchers can leverage RIT to understand various other constructs that explain the nature of consumer–brand relationships such as brand trust, brand loyalty, brand devotion, etc.

The present study has examined the development of brand love by analyzing the trajectories through the lens of turning points. Thus, the insights of the study do not suggest the possible impact of the trajectories on outcomes such as brand loyalty, positive word of mouth, willingness to pay premium, resistance to negative information, etc. Future research can look at the possibility of exploring the types of outcomes with respect to each trajectory type. Further, future research can also understand if each type of trajectory has a different impact on crucial consequences such as brand loyalty, willingness to pay premium, positive word of mouth, etc.

CONCLUSION

The present study has been an attempt to understand the brand love trajectories of electronic appliances product category. The literature of brand love suggests that most of the research on brand love has examined the concept from a static perspective (Palsuk et al. 2019) and this is one of the very few studies that have examined the concept of brand love from a dynamic perspective. The present study adds to the literature of brand love by focusing on consumers who are presently experiencing brand love and also who have experienced brand love in the past. Hence the study illuminates turning points that can help in brand love formation and also those that can

hinder brand love formation. The present study has shown that achieving brand love is a complex process, with majority of turning points indicating that they are in control of brand managers. This suggests that achieving brand love is not serendipitous.

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CUSTOMER SATISFACTION AND COMMITMENT: CONSIDERING RELATIONAL INVESTMENT AND RAPPORT IN CUSTOMER SERVICE INTERACTIONS

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ABSTRACT

Customers who experience positive customer service interactions tend to feel high levels of satisfaction with the service and commitment to the service provider. This study suggests that investment in the interpersonal relationship that occurs during the rapport-building process in service encounters should be considered when measuring service outcomes. More specifically, items from the Investment Model (Rusbult 1980) were adapted to broaden the ways in which rapport, satisfaction, and commitment have all been measured and connected to describe customer service exchanges. Participants responded to an online survey designed to capture a recent service transaction experience. Results of this study demonstrate significant correlations between variables representing rapport and customer satisfaction and rapport and customer commitment. Each variable construct included relational investment-focused items. This study provides evidence that relationship dynamics both evolve from and encourage relationship investment and can connect enjoyable interaction and personal connection to customer satisfaction and relational commitment. Implications for organizational strategies that more specifically focus on rapport and relationship-building to account for recent shifts in organizational landscapes are discussed.

INTRODUCTION

Interpersonal encounters between employees and customers can play a significant role in the outcome of service transactions. Organizational successes often rely heavily on the relationships that service providers are able to form with their customers (Gremler and Gwinner 2000), though research typically focuses on the outcomes of those relationships rather than the nature of those relationships themselves. One of the most common constructs used to develop employee-customer relationships is rapport, which is illustrated by the characteristics of an interaction and the level of connectivity displayed between the service provider and customer (Gremler and Gwinner 2008). Previous research has extensively analyzed the rapport process and the effect it can have on an organization's bottom-line, emphasizing that effectively building rapport can help to ensure organizational success (e.g., Gremler and Gwinner 2000; Gremler and Gwinner 2008; Placencia 2004; Sabiote and Roman 2009). However, customer-employee rapport research often focuses solely on service outcomes and does not often focus on the influence of the relationship that is established as rapport is built. To that end, this study utilizes the Investment Model of interpersonal relationships (Rusbult 1980), characterized by interdependence theory (Kelley and Thibaut 1978) and social exchange theory (Cropanzano, Anthony, Daniels, and Hall 2017), to provide relationship-focused context to customer-employee interactions. Building more relationship investment-focused characteristics into measures of rapport, satisfaction, and commitment is an important step toward understanding and emphasizing how the relationship dynamics of investment processes serve an important purpose for understanding customer behaviors through the lens of interpersonal or relational motivators.

As organizations fight to remain competitive in an increasingly automated, digital, and globalized world, attracting and retaining customers is imperative. Many organizations were forced to radically adjust customer-facing practices and organizational structures as they navigated the challenges that arose during the Covid-19 pandemic. Recognizing the ways in which rapport-building connections that mimic close interpersonal relationships often lead to an invested customer is essential for surviving and thriving in a consumer-driven world full of options and alternatives. The Investment Model provides relationally-focused insight into the types of rapport conditions that might influence an individual's commitment to, and satisfaction with, an organization. Focusing on the interdependent nature of relationship-building communication such as rapport further defines the experiences of customers involved in meaningful service exchanges. While much of the research that focuses on rapport emphasizes its close relationship to customer satisfaction and commitment, it does not isolate the ways in which perceptions of relationship investment influence customer experiences. Although the idea of establishing relationships with customers has been studied in a variety of ways, the specific relationship dynamics that represent interpersonal investment exchanges are still underrepresented in customer-focused research. Results of survey research designed to gauge the investment characteristics of rapport are discussed and paired with practical implications for service and organizational contexts.

REVIEW OF LITERATURE

Customer-Employee Rapport

The concept of rapport has been characterized in a variety of ways; as the ability to establish and maintain friendly relations (Aston 1988), as the quality of a relationship distinguished by effective communication and mutual understanding (Carey, D'Lisa, and Biggers 1988), and as the bond between individuals marked by agreement, consistency, and unity (Bernieri, Gillis, Davis, and Grahe 1996). Scholars typically use attributes such as mutual attentiveness, mutual friendliness, and interpersonal coordination as primary qualities of rapport (Tickle-Degnen and Rosenthal 1990). Additionally, definitions of rapport generally include two basic features; that rapport can only be produced during social encounters of two or more people, and that it typically is used as a measure to define the effectiveness and quality of a dyadic relationship (Grahe and Sherman 2007; Tickle-Degnen and Rosenthal 1990). Gremler and Gwinner (2000) define service rapport as a customer's perception of having an enjoyable interaction with a service provider employee, such as having a positive experience during a transaction, or when a customer has an affective interpersonal experience, such as a strong bond (e.g., sharing similar interests, having comparable backgrounds, mutual caring), characterized by a perceived personal connection. Typically, if both of these dimensions are established during a service encounter, it is likely that rapport has been established.

The process of establishing rapport has been researched extensively. Gremler and Gwinner (2008) concluded that there are several basic rapport-building behaviors, including attentive behavior, common grounding behavior, connecting behavior, courteousness, and information sharing. Attentiveness can be illustrated in a variety of ways, such as when people go out of their way to help others, show that they have a personal interest in what someone has to say, or simply recognize an individual. When practicing common grounding behavior, individuals seek to find commonalities with one another by doing things like identifying mutual interests or mimicking the behaviors of one another (Grahe and Sherman 2007; Gremler and Gwinner 2008). Connecting behaviors, on the other hand, are typically employed when a person deliberately sets out to establish rapport by, for example, using humor or displaying unusually high levels of friendliness.

The final two rapport-building behaviors developed by Gremler and Gwinner (2008) include courteousness and information sharing. Individuals who are able to express genuine courteous behavior, such as honesty and civility (i.e., being especially friendly, pleasant, polite and/or helpful) often find it easy to establish a bond with other people. During information sharing interactions, sharing information with (or gathering information from) others leads to a better understanding of that individual. Behaviors such as giving advice, imparting knowledge and/or asking questions to gain an understanding of a particular individual all fall under the category of information sharing.

Gremler, Gwinner, and Brown (2000) found that the key to building a strong employee-customer relationship is through using one or more of the basic rapport behaviors to establish trust, confidence, reliability, and integrity. The rapport-building behaviors outlined above can facilitate strong bonds and have been explored in numerous ways. Consumers typically desire a partnership with employees during service transactions, hoping to be understood and have their values taken into consideration (Stern, Thompson, and Arnould 1998). When customers experience these types of positive interactions, they may be more likely to continue to engage with and recommend the service or service provider to acquaintances. Organizations that focus on these types of rapport-building strategies can use them to attract and retain a committed customer base. The reasons a customer might be more motivated to engage when rapport-building takes place have not been as closely studied. This study will further define the dynamics of that process through the lens of investment.

Rapport and Service Outcomes

Building positive customer rapport can lead to several positive customer service outcomes. A number of studies provide evidence for the impact of rapport, consistently citing its relationship to service experiences and outcomes such as customer satisfaction and commitment (Delcourt, Gremler, van Riel and van Birgelen 2013; Fatima, Razzaque and Mascio 2015; Kim and Ok 2010; Kim and Baker 2017; Macintosh 2009), revisit intentions (Han, Choo, Lee, and Hwang 2017), and positive word-of-mouth behaviors (Han et al. 2017; Macintosh 2009). Satisfaction in customer-service provider transactions can refer to the positive versus negative affect experienced by the parties in an interaction, with the specific level of satisfaction influenced by the way a partner fulfills an individual's needs. Agnew, Van Lange, Rusbult, and Langston (1997) suggest that individuals who feel satisfied are often willing to put significant effort into maintaining their relationships. Similarly, customers who develop a sense of commitment tend to continue to purchase services, recommend the service to others, and increase connections in a relationship, all of which can also be described as loyalty (Hallowell 1996). For this study, customer loyalty behaviors are represented through the construct of commitment. This commitment is defined by Pritchard, Havitz, and Howard (1999) as intent to remain with an organization's services, while Price and Arnould (1999) suggest that commercial friendships may actually form in service settings and can influence things like customer satisfaction and commitment. Much of this research suggests that service outcomes such as satisfaction and a sense of commitment can predict other outcomes, though the literature does not emphasize the nature of the customer-service interactions that create conditions for such outcomes.

Often, high-contact customer-employee interactions can feel quite intimate, as they can be long, involve exchanging content-rich information, and include a range of emotions (Parasuraman, Zeithaml, and Berry 1985). Emotional experiences can be a very central component to the relationships that form during interactions between customers and service providers, as Delcourt

et al. (2013) found that emotional competence can be positively linked to both customer satisfaction and loyalty, with rapport serving as a partial mediator. The customer-employee interactions that occur in these settings (especially in those that are high-contact) contain many of the same characteristics of interpersonal relationship processes, which can create conditions for outcomes such as increased satisfaction or commitment. Ultimately, the idea that rapport-building can create positive outcomes in customer-employee interactions is well-supported in existing research; this study suggests that the desire to engage in and maintain such relationships can be derived from perceptions of investment in service encounters.

Customer Investment Dynamics

The Investment Model was originally developed to explore interpersonal relationships, but its applicability across organizational contexts has been demonstrated in organizationally-focused studies (Bügel, Buunk, and Verhoef 2010; Huang, Cheng, and Farn 2007; Jiang, Chou, and Tao 2011; Le and Agnew 2003). The model is considered one of the most influential theories of relationship commitment (Tran, Judge, and Kashima 2019), highlighting investment, satisfaction, commitment, and quality of alternatives as primary factors in relationship maintenance (Rusbult, Martz, and Agnew 1998). Interdependence theory serves as a foundation for the investment model, emphasizing the impact of comparing one's expectations with outcomes that have occurred (Etcheverry, Le, Wu, and Wei 2013) and satisfaction as a positive affect process that influences dependence (Kelley and Thibaut 1978). In addition, interdependence theory characterizes relationship commitment as a product of one's investment in a relationship (Webster, Laurenceau, Smith, Mahaffey, Bryan, and Brunell 2015), setting the conditions for repeat desired outcomes over time that would be lost if the relationship were terminated (Etcheverry et al.). Rusbult's (1980) claim that a satisfying relationship can be directly related to individual expectations reflects such assertions.

Investment is characterized by the relationship dynamics that both result from and propel interpersonal interactions, and include the resources brought into a relationship by all parties involved, with the goal of using those resources to establish and maintain a relationship (De Wulf, Odekerken-Schröder, and Iacobucci 2001). Quite simply, relationship investment can help to develop and enhance customer relationships (De Wulf et al. 2001). Previous research has focused on this process by exploring either the customer's perception of their own levels of investment, or what they perceive the partner's investment to be, but often not both (Zainol, Omar, Osman, and Habidin 2016). This study includes investment items that focus on both the customer perspectives of their own investment and those of the service provider. Zainol, Yasin, Omar, Hashim, and Osman (2015) found that customers with a positive impression of the investment made by the partner (in this case, the organization) felt compelled to make significant investments in the relationship in return. This tendency can be described through the lens of social exchange theory, which posits individuals will feel compelled to reciprocate actions in order to remain in a relationship as long as they benefit from doing so (Cropanzano et al. 2017). That reciprocation helps to foster continuity in the relationship and can include both tangible and intangible resources. In other words, a customer who perceives a strong and favorable social investment tends to perceive strong emotional connections, which can make them feel obligated to return the favor. Experiencing higher levels of social investment in this way increases the customer's tendency to contribute as the relational partner. The more they invest in a relationship, the greater the cost of terminating, which establishes another motive to remain committed (Rusbult 1980).

Framed in this way, relationship investment can be characterized as a type of psychological attachment to a relational partner and a long-term orientation toward that relationship (Le and Agnew 2003, Rusbult and Buunk 1993). Investment, then, is a condition that influences outcomes such as satisfaction or commitment and loyalty. Satisfaction is often influenced by the amount of fulfillment felt by individuals participating in a relationship and can often be connected to, or even predict, relationship commitment (Etcheverry et al. 2013). Commitment can also develop as individuals perceive investment from the relational partner and seek to reciprocate those investment actions. Much of the previous research describing this relationship focuses on marketing techniques that create commitment and satisfaction conditions to make customers feel more invested in a brand (Hess, Story, and Danes 2011). However, customer perceptions of investment can be a predictor of intention to establish and maintain a relationship with a partner or brand (Sung and Choi 2010), serving as a catalyst for participating in the relationship and transforming more individualistic goals into relationship-service motives, thus motivating the individual to continue to develop and maintain the relationship further (Kelley & Thibaut 1978). To that end, Brooks, Ogolsky, and Monk (2018) claim that the investment model itself “has explanatory power regarding relationship commitment and predictive power for staying or leaving behavior” (p. 2687) and should be utilized to understand how relationship investment dynamics can serve as a condition for service outcomes.

Customer-Employee Rapport and the Investment Model

Though often mentioned in the same conversations, research does not often situate rapport, investment, and customer outcomes together in a way that emphasizes the relationship that develops among parties involved in rapport-building and customer service exchanges. This study explores the idea that focusing on the relationship dynamics in customer-employee interactions may be essential for establishing and maintaining long-term investment connections, especially as organizations seek to renew customer relationships in the wake of crises like the Covid-19 pandemic. Developing close relationships, in many ways, mimics the process of developing a brand or service loyalty, especially as service options become more easily customizable and personalized. Rapport, then, may so often be linked to customer satisfaction and commitment because it engages customers in a relationship-building process that is familiar to them. Many scholars have noted that maintaining a competitive advantage requires developing and sustaining stronger relationships with customers (Carter 2008; Hess and Story 2005; Louis and Lambert 2010; Zainol, Yahaya, and Osman 2018). From the perspective of the investment model, the attachment that an individual feels to a relational partner influences their needs, expectations, and decisions to remain loyal to the relationship. Thus, the nature of the relationship itself should be considered a catalyst for the outcomes.

Relationship investment can take multiple forms (Le and Agnew 2003) and has been described as a “multidimensional construct [that] should not be overlooked” (Zainol et al. 2018, p. 85). Perceived partner investment (such as putting in extra effort, paying close attention, and contributing important resources) can lead to positive service outcomes, such as satisfaction and commitment (De Wulf et al. 2001). The actions that are often cited as rapport-building strategies for customer-facing employees (such as attentiveness, grounding and connecting behaviors, courteousness, and information sharing) demonstrate these types of investment and can trigger the customer to reciprocate. When a customer reciprocates, it engages both parties in relationally-focused communication behaviors that are often linked to positive service outcomes.

Additionally, conceptualizing customer-service relationships as a form of friendship may provide additional insight into relational investment. While there are several different ways to categorize friendships, two in particular speak to the types of conditions under which customer-service relationships may mimic friendship. Utility friendship, characterized by the potential benefits that can be gained during an exchange, is linked to interdependence theory (Van Lange and Rusbult 2012). Pleasure friendship, characterized by enjoyment or pleasure (Cooper, 1977), speaks to the ways in which friendship can lead to satisfaction and positive emotion (Wrzus, Wagner, and Neyer 2012). Both friendship categories can be connected to factors that are important to understanding investment. Experiencing a relational exchange that contains potential benefits and enjoyment may encourage reciprocation and create a sense of interdependence and commitment to the relationship.

Service outcomes, such as satisfaction, likely matter as relationships develop. Cronin, Brady, and Hult (2000) state that customer satisfaction is associated with value, which is based on several potential service quality attributes. Butcher, Sparks, and O'Callaghan (2001) suggest that relationship-building between customers and service providers can result in a sense of ownership of the service process, creating a sense of closeness that can influence loyalty. When positive feelings and ownership are reinforced, customers may see this as a sign to continue to maintain the relationship and patronage. According to Rusbult et al. (1998), it is easier to maintain a committed relationship when it is associated with positive feelings, such as when a sense of rapport or affiliation develops between customers and service providers. When customers feel satisfied with the rapport in their relationship with a service provider, they may feel a sense of closeness that is common in more intimate relationships (e.g., romantic or friendships) and feel a stronger sense of commitment to that person or organization. Customers who feel satisfied with their relationship with a service provider may then begin to expect the same satisfaction from the actual service. Thus, the investment-focused attributes of rapport-building processes during customer service interactions are likely contributing factors to outcomes such as satisfaction.

Additionally, Agnew et al. (1997) argue that the Investment Model Theory extends the idea of commitment in relationships as a psychological experience, suggesting that individuals begin to consider themselves part of a collective unit as their feelings of commitment grow. Kanter (1968) determined that people orient themselves to situations emotionally, intellectually, and positively and negatively. Customers willing to reciprocate the energy in a relationship with their service provider may do so because they feel dependent on the relationship through increased positive rapport. Gremler and Gwinner (2000) argue that the presence of rapport in customer-employee interactions may provide a relational foundation. Feelings of commitment encourage persistence in relationships and are often strengthened under conditions of high satisfaction, leading to the formation of psychological attachment (Rusbult et al. 1998). In customer service settings, customers seek fulfillment of their basic needs from service providers, much like employees seek fulfillment of basic needs from their employer or couples seek fulfillment of needs from their partners. Such affiliation needs, or the desire to feel a sense of involvement and belonging, are often connected to an increased sense of investment and higher levels of commitment (Stum 2001). As a cornerstone of human relationships, affiliation needs (at least in part) can be fulfilled by common rapport-building strategies and may elevate levels of relational satisfaction and commitment among customers. Storbacka, Strandvik, and Grönroos (1994) posit customer commitment can in fact be defined by a desire to have a relationship with the provider. Such relationally-focused characteristics can be further characterized by research that utilizes an investment lens.

This study suggests that investment influences relationship dynamics in service transactions, which impacts outcomes of those service transactions. Previous research has not specifically emphasized the importance of the dynamics of the relationship itself, nor has it situated both the perception of customers' perceived self-investment and their perception of the organization's (or organizational member's) investment as the relational partner in the same study. Focusing on customer perceptions of investment from both angles helps to further support the idea that relationship-focused communication is an important condition for creating positive customer behaviors. This study suggests that the influence of rapport-building on service outcomes may be related to a felt or perceived relationship between the customer and the service provider during the service transaction (either a single interaction or several over time). The feelings that emerge from these customer-employee relationships may influence how satisfied a customer feels about the service, prompting specific reactions and intention to maintain the relationship by repeating business. Thus, it is the specific act of engaging in relationship-building investment dynamics that may influence the customer service experience. In the case of customer-employee interactions, satisfaction and commitment levels of customers may be rooted in feeling invested in a relationship.

As an exploratory step toward using relational investment to link rapport, commitment, and satisfaction, the present study offers the following hypotheses:

H1: *Individuals who experience (a) enjoyable interaction and (b) personal connection in customer-service exchanges will report high levels of relational satisfaction with the encounter.*

H2: *Individuals who experience (a) enjoyable interaction and (b) personal connection in customer-service exchanges will invest high levels of relational commitment to the service provider.*

Using an invested relationship context to frame these variables is a step toward providing more practical and applicable strategies for improving customer satisfaction and commitment. In previous research, the specific impact of relationship-mimicking behaviors that are present in rapport-building interactions is often implied but not explicitly stated. The relational focus of the Investment Model highlights small, but important, factors for expanding what is understood about the customer service experience.

METHOD

Participants

The sample consisted of 146 individuals who reported to have recently completed a service transaction. Of the 146 individuals, 61% identified as female and 38% identified as male (an additional one percent did not disclose gender). The average age of the participants was 32 years ($SD = 14.84$); however, there was a great range in age, spanning 18 years to 74 years. Many participants indicated that they were familiar with the type of service they were thinking of for the survey, with 28% reporting a high level of familiarity with the service and 56% frequently utilizing the service. The levels of familiarity coincided with the reported frequency of the service use, as 38% of respondents utilized the service monthly and 28% weekly; a total of 32% of respondents only used the service yearly, less than once a year, or less than once every few years. The majority of respondents focused on a service transaction that had occurred within the past month (20%),

within the past week (25%), or within the past few days (53%). Most of the individuals (88%) reported purchasing a product during the service transaction, as the typical services reported were retail and food/beverage. See table 1 for a summary of service characteristics.

Procedures

Participants were recruited to participate in an online survey. Students in several introductory communication courses were offered extra credit for completion of the survey. Participants were asked to forward the survey link to 10 additional people, which resulted in a mixed snowball sample of college students and business professionals. Respondents were asked to think of their most recent service transaction and indicate the degree to which they agreed with the survey items.

Measures

Participants were asked to think about a recent face-to-face service transaction, type the name of the organization, and indicate the industry the organization belonged to, how long ago the transaction occurred, and whether or not they purchased the product or service. Aside from demographic measures, all scales included response options that were arranged on a 5-point Likert-type scale, ranging from 1 = *strongly disagree* to 5 = *strongly agree*. Table 2 includes the items used to measure each of the variables.

Items from the Investment Model Scale were adapted and included in several of the measures. These items were chosen to represent variables from the perspective of investment in the relationship. While the Investment Model Scale has primarily been used to analyze the foundations of interpersonal and romantic relationships, its purpose in this study was to provide additional insight into the relationship-mimicking behaviors that may form between a customer and a service provider representative. The inclusion of these items extends conceptualizations of rapport and service outcomes by attempting to explain the way customers become invested in the service *and* the relationship that may form, even if only to a small extent, when participating in the service interaction.

Rapport. Two measures of rapport were included: (1) a five-item assessment of the degree to which the transaction was enjoyable ($\alpha = .92$) and (2) a five-item measure of the participant's perception of their connection with the service provider ($\alpha = .91$). All items were adapted from Gremler and Gwinner's (2000) measures of customer-employee rapport in service relationships. An additional item, *I feel comfortable disclosing personal information about myself with my service provider*, was adapted from Rusbult et al.'s (1998) Investment Model Scale and added to the personal connection scale.

Satisfaction. Customer satisfaction was measured using an eight-item scale ($\alpha = .94$). Six of the *satisfaction* items were adapted from Voss, Parasuraman, and Grewal's (1998) measure of satisfaction in a service setting. An additional item, *The service was close to ideal*, was pulled from the Investment Model Scale (Rusbult et al., 1998) and another, *My choice to use this service provider was a wise one*, from Gremler and Gwinner (2000).

TABLE 1: Service Characteristics

| | Frequency | Percentage |
|---|-----------|------------|
| Type of Service Provider | | |
| National Chain | 97 | 65.5 |
| Locally-owned | 48 | 32.4 |
| Type of Industry | | |
| Retail | 64 | 43.2 |
| Food/Beverage | 57 | 38.6 |
| Healthcare | 16 | 10.8 |
| Financial/Banking | 6 | 4.1 |
| Level of Familiarity with the service | | |
| I have a high level of experience with the service. | 42 | 28.4 |
| I utilize the service frequently. | 83 | 56.1 |
| I am not very familiar with the service. | 20 | 13.5 |
| How often do you frequent this service provider? | | |
| Daily | 4 | 2.7 |
| Weekly | 38 | 27.7 |
| Monthly | 56 | 37.8 |
| Yearly | 12 | 8.1 |
| Less than once a year | 17 | 11.5 |
| Less than once every few years | 18 | 12.3 |
| Where does the service transaction take place? | | |
| Face-to-face | 138 | 93.2 |
| Online | 5 | 3.4 |
| How long ago did the transaction occur? | | |
| Within the past few days | 78 | 52.7 |
| Within the past week | 37 | 25.0 |
| Within the past month | 29 | 19.6 |
| More than a month ago | 3 | 2.0 |
| Did you purchase the product/use the service? | | |
| Yes | 130 | 87.8 |
| No | 16 | 10.8 |

Table 2. Descriptive Statistics and Survey Items:
Satisfaction, Commitment, and Rapport (EI & PC)

| Variables and item | <i>M</i> | <i>SD</i> | <i>α</i> |
|---|----------|-----------|----------|
| Satisfaction | 4.18 | 1.00 | 0.94 |
| <ul style="list-style-type: none"> • The service was close to ideal. • The service provider did a good job of fulfilling my service needs. • This organization satisfied my high expectations for quality service • The organization provided me with good service. • The organization provided me with service that was of poor quality. • I felt satisfied with the outcome of this customer service transaction. • I'm not happy with the outcome of this customer service encounter. • My choice to use this service provider was a wise one. | | | |
| Commitment | | | |
| <ul style="list-style-type: none"> • I am committed to maintaining my relationship with my service provider. • I would feel very upset if I were unable to utilize the service provider in the near future. • It is likely I will change service providers within the next year. • I am willing to go the extra mile to remain a customer of this service provider. • I will be a repeat customer for this organization. • I would continue to do business with this organization even if the prices increased somewhat. • I intend to continue doing business with this service provider over the next few years. • I feel loyal toward this service provider. | 3.89 | 0.86 | 0.88 |
| Rapport – Enjoyable Interaction | | | |
| <ul style="list-style-type: none"> • In thinking about my relationship with this person, I enjoy interacting with this employee. • This employee has a good sense of humor. • This employee creates a feeling of “warmth” in our relationship. • This employee relates well to me. • I am comfortable interacting with this employee. | | | |
| Rapport – Personal Connection | | | |
| <ul style="list-style-type: none"> • I feel comfortable disclosing personal information about myself with my service provider. • I feel like there is a “bond” between this employee and myself. • I look forward to seeing this person when I visit the service provider. • I strongly care about this employee. • This person has taken a personal interest in me. • I have a close relationship with this person. | | | |

Commitment. Customer commitment was measured using an eight-item scale ($\alpha = .88$), including *I intend to continue doing business with this service provider over the next few years* (Gremler and Gwinner, 2000), *I will be a repeat customer for this organization*, and *I would continue to do business with this organization even if the prices were increased somewhat* (Voss et al., 1998), as well as five items from the Investment Model Scale (Rusbult et al., 1998).

RESULTS AND DISCUSSION

Hypothesis one predicted that (a) enjoyable interaction and (b) personal connection would be positively related to customer satisfaction. A Pearson's correlation analysis revealed that customer satisfaction was positively correlated with the enjoyable interaction dimension of rapport, $r(143) = .69, p < .05$, as well as with personal connection, $r(143) = .48, p < .05$. Hypothesis one was supported, and the exceptionally strong correlation between enjoyable interaction and satisfaction is particularly noteworthy.

As a component of rapport, enjoyable interaction is a primary factor influencing feelings of customer satisfaction. Enjoyable interaction was operationalized with items featuring a sense of humor, feelings of "warmth," feeling like the service providers could relate to the customer, and feeling comfortable interacting with the service provider. Additionally, the Investment Model states that individuals will be satisfied with a relationship if their needs are fulfilled and they are pleased with the relationship. Relational needs (such as feeling a sense of comfort and warmth) paired with being able to relate to employees mimic the types of characteristics of close friendships. Though relatively little research connects friendship, closeness, and humor (Gordon 2014), the results of this study suggest that these factors may meaningfully connect to create the types of enjoyable interaction experienced during rapport-building exchanges. Indeed, humor may help to enhance the quality of relationships and can play a role in bringing people together (Gordon). These aspects of enjoyable interaction connect directly to the idea of utility friendship, where something can be gained or accomplished through the interaction, and pleasure friendship, where the exchange feels enjoyable. Customers in this space, then, may feel compelled to reciprocate such behaviors - a key characteristic of investment dynamics. That such a strong correlation exists between enjoyable interaction and satisfaction suggests that the affective nature of service exchanges matters to a great extent.

Having an enjoyable experience is clearly the strongest indicator of satisfaction, but personal connection is also significantly and positively related to satisfaction as well. Rapport-building skills (attentiveness and grounding or connecting behaviors) can create feelings of personal connection, mimicking intimacy or closeness and creating conditions for the relationship to feel particularly warm, comfortable, or relatable. Simply put, when an employee caters to a customer's service *and* interpersonal or affiliation needs to foster a sense of short- or long-term relational intimacy, such conditions can create a sense of investment in the relationship and, in this case, overall customer satisfaction increases. These findings support Gremler and Gwinner's (2000) claim that a positive service transaction will influence satisfaction toward the entire service organization. The relationship between personal connection and satisfaction helps to bolster the overall importance of both of the findings from hypothesis one, pointing further toward the importance of considering relational investment in the measurement of these constructs.

Hypothesis two stated that customers will feel greater levels of commitment if they experienced enjoyable interaction and personal connection in customer-service exchanges. A Pearson's correlation analysis revealed a positive relationship between customer commitment and

the (a) enjoyable interaction, $r(144) = .50, p < .05$, as well as with personal connection, $r(144) = .47, p < .05$. Hypothesis two was supported (see Table 3).

Table 3. Bivariate Correlations for Study Variables

| | Customer Satisfaction | Customer Commitment |
|--------------------------|------------------------------|----------------------------|
| 1. Enjoyable Interaction | .69* | .50* |
| 2. Personal Connection | .48* | .47* |
| * $p < .05$ | | |

It is important to note that all of the constructs were operationalized in part by statements modeled after the Investment Model Scale. Thus, each of the constructs in this study are relationship- and investment-focused, which illustrates the significance of interpersonal dynamics of customer-service provider exchanges. Often, there are strong relationships among the concepts of rapport, satisfaction, and commitment; that these variables are positively correlated in this study after they have been adjusted to include investment-focused items helps to fill in some of the gaps to explain *what*, specifically, about the rapport-building process leads to positive service outcomes. That such processes may encourage customers to mimic relationship-building behaviors, which are inherently embedded with investment-focused characteristics, sheds light on the actual conditions that are created within customer-service provider exchanges to create positive outcomes.

Situating investment-focused communication more soundly within the conversations around service outcomes is essential for understanding the conditions that contribute to positive customer experiences. Additional conditions related to the service characteristics of the encounters may also be useful. To determine whether there were statistical differences in satisfaction, commitment, and rapport scores across certain characteristics of the service encounter such as frequency of the service encounter, industry, level of familiarity, and organization type, one-way analyses of variance (ANOVA) were conducted. At the $p < .05$ level, there were significant effects on satisfaction related to frequency of the service encounter [$F(5, 139) = 3.03, p = 0.013$], industry [$F(3, 139) = 4.14, p = 0.008$], and organization type (locally-owned versus national chain) [$F(1, 143) = 6.50, p = 0.005$]. Similarly, at the $p < .05$ level, there were significant effects on commitment related to frequency [$F(5, 139) = 7.23, p = .0000$], familiarity [$F(2, 142) = 7.57, p = .0008$], and organizational type [$F(1, 143) = 10.33, p = .0016$], and on rapport related to frequency [$F(5, 139) = 13.91, p = .0000$], industry [$F(3, 139) = 3.22, p = .0246$], familiarity [$F(2, 142) = 30.27, p = .0000$], and organizational type [$F(1, 143) = 47.76, p = .0000$]. See Table 4 for summary data.

Since the ANOVA indicated statistical differences, Tukey *post hoc* analyses were conducted to establish where the scores were different. Table 5 summarizes the significant differences in satisfaction, commitment, and rapport scores. Participants who utilized the services more often were more satisfied, more committed, and reported higher levels of rapport than those who utilized the service less frequently. On the surface, this is not surprising, but it does provide some evidence that increased opportunities to engage in and be exposed to investment-focused behaviors may be an underrecognized component of customer satisfaction and commitment. Viewing these results through the lens of investment provides additional explanation for *why* these types of customers may feel more satisfied or committed. Similarly, those same personalized experiences may potentially occur more frequently in locally-owned business interactions, during which participants reported experiencing higher levels of rapport-building behaviors and generally felt more satisfied and committed (when compared to national chains). Locally-owned businesses

Table 4. Results of ANOVA – satisfaction, commitment, rapport.

| Satisfaction | | Sum of Squares | df | Mean Square | F | Sig. |
|---------------------|----------------|-----------------------|-----------|--------------------|----------|-------------|
| Frequency of visit | Between groups | 18.8463 | 5 | 3.7693 | 3.0269 | .0126 |
| | Within groups | 173.0918 | 139 | 1.2453 | | |
| | Total | 131.4730 | 142 | | | |
| Industry | Between groups | 10.7726 | 3 | 3.5909 | 4.1353 | .0076 |
| | Within groups | 120.7004 | 139 | 0.8683 | | |
| | Total | 131.4730 | 142 | | | |
| Familiarity | Between groups | 8.9884 | 2 | 4.4942 | 2.4512 | .0898 |
| | Within groups | 260.3558 | 142 | 1.8335 | | |
| | Total | 269.3442 | 144 | | | |
| Local vs. Chain | Between groups | 6.5023 | 1 | 6.5023 | 8.0679 | .0052 |
| | Within groups | 115.2512 | 143 | 0.8060 | | |
| | Total | 121.7535 | 144 | | | |
| Commitment | | Sum of Squares | df | Mean Square | F | Sig. |
| Frequency of visit | Between groups | 53.0298 | 5 | 10.6060 | 7.2288 | .0000 |
| | Within groups | 203.9392 | 139 | 1.4672 | | |
| | Total | 256.9690 | 144 | | | |
| Industry | Between groups | 1.9620 | 3 | 0.6540 | 1.1856 | .3176 |
| | Within groups | 76.6738 | 139 | 0.5516 | | |
| | Total | 78.6358 | 142 | | | |
| Familiarity | Between groups | 12.8634 | 2 | 6.4317 | 7.5707 | .0008 |
| | Within groups | 120.6360 | 142 | 0.8495 | | |
| | Total | 133.4994 | 144 | | | |
| Local vs. Chain | Between groups | 15.7341 | 1 | 15.7341 | 10.3287 | .0016 |
| | Within groups | 217.8359 | 143 | 1.5233 | | |
| | Total | 233.5700 | 144 | | | |
| Rapport | | Sum of Squares | df | Mean Square | F | Sig. |
| Frequency of visit | Between groups | 70.5598 | 5 | 14.1120 | 13.9112 | .0000 |
| | Within groups | 141.0060 | 139 | 1.0144 | | |
| | Total | 211.5658 | 144 | | | |
| Industry | Between groups | 11.9009 | 3 | 3.9670 | 3.2237 | .0246 |
| | Within groups | 171.0495 | 139 | 1.2306 | | |
| | Total | 182.9504 | 142 | | | |
| Familiarity | Between groups | 61.2537 | 2 | 30.6269 | 30.2668 | .0000 |
| | Within groups | 143.6892 | 142 | 1.0119 | | |
| | Total | 204.9429 | 144 | | | |
| Local vs. Chain | Between groups | 82.2025 | 1 | 82.2025 | 47.7557 | .0000 |
| | Within groups | 246.1479 | 143 | 1.7213 | | |
| | Total | 328.3504 | 144 | | | |

Table 5. Tukey *post hoc* analysis of differences

| Satisfaction | | | | | |
|---------------------|---------------------------|------------------------|-------------|--------------------------------|--------------------|
| (I) | (J) | Mean Diff (I-J) | Sig. | 95% Confidence Interval | |
| | | | | Lower Bound | Upper Bound |
| Freq: Weekly | Less than every few years | 1.14 | .0064 | 0.2173 | 2.0627 |
| Freq: Monthly | Less than every few years | 0.99 | .0165 | 0.1163 | 1.8637 |
| Ind: Healthcare | Food/Beverage | 0.88 | .0059 | 0.1945 | 1.5655 |
| Type: Local | Chain | 0.45 | .0052 | 0.1369 | 0.7631 |
| Commitment | | | | | |
| (I) | (J) | Mean Diff (I-J) | Sig. | 95% Confidence Interval | |
| | | | | Lower Bound | Upper Bound |
| Freq: Daily | Less than yearly | 2.03 | .0353 | 0.0849 | 3.9751 |
| | Less than every few years | 2.14 | .0209 | 0.2052 | 4.0748 |
| Freq: Weekly | Monthly | 0.89 | .0082 | 0.1544 | 1.6256 |
| | Yearly | 1.39 | .0090 | 0.2310 | 2.5490 |
| | Less than yearly | 1.42 | .0013 | 0.3987 | 2.4413 |
| | Less than every few years | 1.53 | .0003 | 0.5285 | 2.5315 |
| Exp: Very familiar | Not familiar | 0.97 | .0005 | 0.3769 | 1.5631 |
| Exp: Familiar | Not familiar | 0.60 | .0267 | 0.0562 | 1.1438 |
| Type: Local | Chain | 0.70 | .0016 | 0.2695 | 1.1305 |
| Rapport | | | | | |
| (I) | (J) | Mean Diff (I-J) | Sig. | 95% Confidence Interval | |
| | | | | Lower Bound | Upper Bound |
| Freq: Daily | Less than yearly | 1.79 | .0208 | 0.1726 | 3.4074 |
| | Less than every few years | 2.20 | .0017 | 0.5912 | 3.8088 |
| Freq: Weekly | Less than yearly | 1.26 | .0005 | 0.4108 | 2.1092 |
| | Less than every few years | 1.67 | .0000 | 0.8372 | 2.5028 |
| Freq: Monthly | Less than yearly | 1.45 | .0000 | 0.6441 | 2.2559 |
| | Less than every few years | 1.86 | .0000 | 1.0714 | 2.6486 |
| Exp: Very familiar | Familiar | 0.99 | .0000 | 0.5389 | 1.4411 |
| | Not familiar | 2.06 | .0000 | 1.4127 | 2.7073 |
| Exp: Familiar | Not familiar | 1.07 | .0001 | 0.4766 | 1.6634 |
| Type: Local | Chain | 1.60 | .0000 | 1.1424 | 2.0576 |

may have an advantage when it comes to opportunities for engaging in investment-focused rapport behaviors.

The Tukey *post hoc* analysis identified that customers who reported on their experiences with a healthcare service felt more satisfied than those reporting on food and beverage services; traditionally, healthcare service encounters offer increased opportunities for relationally-focused communication. The typical markers of relational investment (effort, attention to detail) are exactly the types of exchanges that occur during patient-care provider interactions. Interestingly, industry was not significant in the commitment or rapport conditions, where instead familiarity was significant, which was not significant in the satisfaction condition. Perhaps satisfaction translated more clearly in terms of one's relationship to a specific industry, whereas familiarity translated more effectively to more behaviorally-focused constructs such as rapport-building and commitment. This pattern provides support for the importance of further isolating relationship-mimicking behaviors as they relate to customer perceptions of investment.

The Investment Model emphasizes that variables such as commitment can be meaningfully connected to feeling a sense of enjoyment during the customer-service exchange and experiencing a sense of personal connection with the service provider. Perhaps customers feel a sense of comfort in the ways in which service transactions mimic some of the best qualities of our affiliative needs, perceiving the formation of a relationship to some extent. Items such as being unlikely to change service providers, feeling upset if unable to utilize the service provider, and being willing to go the extra mile to remain a customer can reflect a sort of allegiance and commitment to the conditions experienced just as much as they might reflect the service provider itself. These same feelings are likely born from the process of investing time and energy into establishing a relationship with someone, which occurs the more frequently a customer engages with the service provider. In all, the study provides evidence to suggest that when customer needs are met and an interpersonal bond or relationship has been formed with the service provider, their loyalty to the organization is likely to follow. As Sabote and Roman (2009) suggest, customers will have a predisposition to return to businesses that have employees who display behaviors along the lines of friendliness, familiarity, caring, politeness, responsiveness, trustworthiness, helpfulness, and understanding.

IMPLICATIONS

Results of this study demonstrate that rapport is an important component of customer satisfaction and commitment, which is not surprising; such claims have been researched and supported for years. However, this study does offer evidence that more investment-focused measures of rapport, satisfaction, and commitment may provide insight into the relationally-motivated behaviors of customers. A very strong correlation between customer satisfaction and rapport as an enjoyable interaction also points towards the continued importance for considering what service interactions *feel* like. At the very least, such a strong finding provides additional, meaningful evidence of the relationships that are important to consider in the world of customer service and relationship-building. Beyond this, such a significantly strong correlation points confidently in a very specific direction for considering rapport as investment and satisfaction with customer experiences. Utilizing the Investment Model shifts the focus of rapport as an enjoyable interaction from a general set of pleasantries to the types of relational characteristics that typically create invested interactions between friends. Humor, closeness, affiliation, and a sense of investment in both the customer and the specific relationship with that customer as a person may elevate the types of consumer relationships necessary for organizational success.

The other significant results of this study offer support for considering the relational investment that occurs in customer-service provider exchanges. Although technological innovation has made convenience a key feature of many service exchanges, the results of this study suggest that customers are still looking for opportunities to connect with service providers in a way that is enjoyable and feels familiar. The customer experience matters - perhaps even more so as consumers navigate the complex consumer-service provider relationship that has developed from the challenges of providing a service during the Covid-19 pandemic. Further, the results of this study also support and elevate the importance of rapport-building in interpersonal friendship or romantic relationships. More specifically, it holds that perceptions of investment can influence general satisfaction in such relationships, which likely hinges on the extent to which the interactions feel enjoyable and potentially leads to other factors such as increased commitment or tendencies to speak positively about that relationship to others (connected loosely to other rapport-based findings on positive word-of-mouth behaviors). Relational satisfaction, in this case, may very well depend on the extent to which individuals enjoy the relational interactions and perceive a sense of investment. Perhaps what we understand about customer-service provider relationships is just as essential, and should be elevated as such in other types of relationships.

Implications in Practice

Beyond contributing to both customer satisfaction and relationship research, the results of this study should be considered by organizations looking to demonstrate investment in their relationships with customers. Cultivating a satisfactory relationship with customers requires creating an environment that motivates positive customer behaviors and increases favorable reputation. Cultivating that relationship can take many forms. Strategically, organizations should focus on relationally-focused goals in three key areas: hiring, training, and brand promotion.

First, organizations should consider adjusting hiring practices to include personality traits such as emotional competence and emotional intelligence. Rather than focusing solely on skills- or experience-based qualifications, asking prospective employees to complete emotional intelligence testing can be an important screening tool for finding the right candidates specifically for facilitating the relationally-focused investment behaviors that customers respond to. According to Delcourt et al. (2013), emotionally competent employees are more likely to succeed in building rapport in high-contact service encounters. Hiring employees who can lead high-quality interactions, even in moderate-contact service encounters, will be important for many organizations looking to rebuild or reestablish customer bases, especially in the wake of the Covid-19 pandemic.

Hiring the right employees for their abilities to navigate relationally-focused customer interactions and training them to be more aware of, and utilize, relationship-focused communication skills is essential. Often, training focuses on the ability to perform basic tasks in order to succeed in the role, or might feature role-play scenarios to teach employees how to handle difficult situations. What is equally as important for organizations who wish to demonstrate a sense of relational investment through interpersonal exchanges is training employees to pay close attention to the customer - noticing the details, paying attention to what is important, and working to build those details into interactions so that customers will respond to the effort and attention given to them during the exchange is key, along with emphasizing fulfilling affiliation needs to initiate and maintain relationship-building. It is useful to assess what is important to stakeholders and focus on strategies that express those characteristics so that consumers can identify with the organization and its members.

Finally, organizations can build on interpersonal relational investment techniques with larger-scale communication efforts designed to mimic investment behaviors. Popp, Wilson, Horbel, and Woratschek (2016) describe the utility of co-creating value by engaging customers through communication platforms such as social media. More specifically, organizations can promote their brand by highlighting their investment in their customers. Using social media to highlight customer profiles, ask for feedback or ideas, and provide opportunities for customers to like and share messages that are focused on their interests and priorities aligns with the types of interpersonal actions that demonstrate effort and attention to detail, which are key investment behaviors. Promoting a brand by linking it to customer experiences and values creates a perceived psychological sense of belonging, especially if it mimics the relational dynamics of interpersonal or face-to-face interactions that occur during service interactions.

Overall, the study backs up the claim that customer-employee rapport can lead to positive service outcomes. Customers who feel that organizations are investing in a relationship with them may feel compelled to reciprocate that investment. These findings are particularly significant when considering the increased use of automated customer service systems (during which customers rarely interact with a human being). Technological innovations and trends lead many organizations *away* from the use of person-to-person interactions. Managers and leaders in organizations should consider that, although customers often expect quick, efficient service, it does not necessarily mean such services should be automated and self-performed. In fact, if an organization wishes to retain its customer base, it might consider how to incorporate interpersonal experiences into technologically-enhanced customer service transactions. The results of this study offer new insight into the experiences of customers and highlight the impact of investment-focused behaviors on customer experiences. In addition, these results extend current knowledge of customer service settings and the literature on customer-service provider interactions.

LIMITATIONS AND FUTURE RESEARCH

This study emphasized the importance of creating a sense of investment through enjoyable, relationship-focused exchanges in customer service encounters, but the cross-sectional data set represents self-reported, general perceptions of service experiences, not actual observed interactions. Future research should assess specific service encounters that occur under a variety of conditions (one-time, sporadic, repeated, or prolonged) to assess both the short- and long-term relationship processes and the impact of service exchanges. Additionally, studies that focus on developing a measure of customer perceptions of both their own investment and the relational partner's investment will help to flesh out an understanding of the micro-level relationship dynamics at play; isolating and measuring investment as a condition for service outcomes will help to differentiate the construct from the outcomes and add an important missing link in the way customer relationships are understood. Data was also collected prior to the Covid-19 pandemic, which means this study may not have fully captured more present-day concerns regarding service encounters. It is important to consider, however, that investment and enjoyable rapport may become even more central to the customer experience, as many organizational landscapes will continue to shift in the aftermath of the pandemic. Future research should examine those experiences across industries and consider the impact of organizational size and structure. The successes and failures of many small or locally-owned businesses may hinge on the relationships they have created with their customers, situating rapport at the center of organizational conversations in the wake of the Covid-19 pandemic.

The strong correlation between enjoyable interaction and rapport is a significant result that, on its own, is a meaningful contribution to customer rapport and satisfaction research. In addition to this finding, there are other significant relationships between rapport and constructs that were adjusted to include more relational- and investment-focused factors. Significant correlations between variables where investment has been used to broaden constructs indicate that more research is needed to identify what, specifically, about invested relationships matters in customer service settings and under what conditions such relational connections impact the exchanges. In fact, the extent to which customers feel invested in their service relationships may impact, or have already impacted, the survival of organizations throughout and after the Covid-19 crisis. Organizational shifts that occurred to account for the pandemic also impact customer experiences. This study suggests that organizations should consider how to continue to focus on rapport-building so that they have the opportunity to continue to provide their service. In a world where options and alternatives for similar products and services abound, investing in the customer experience makes a difference.

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ETHNIC CONGRUITY MOTIVE: WHEN SERVICE ENCOUNTERS WITH HISPANIC FRONTLINE EMPLOYEES ENHANCE HISPANIC CUSTOMERS' SERVICE SATISFACTION

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ABSTRACT

This research examines the impact of an ethnic congruity motive on Hispanic customers' service satisfaction via the mediating role of sense of power during the service encounter. Across three web-based experiments, this research empirically tests the impact of Hispanic customers' ethnic congruity motive (desire to be served by a Hispanic [vs. non-Hispanic] service provider) on service satisfaction mediated by sense of power using a linear regression-based approach. Results show that customers' ethnic congruity motive is positively associated with satisfaction toward service by an ethnically congruent employee and this association is stronger than the positive association between customers' ethnic incongruity motive and satisfaction toward service by an ethnically incongruent employee. Furthermore, sense of power during the service encounter mediates the effect of ethnic congruity motive on satisfaction, but not of ethnic incongruity motive. The findings support prior research findings that customer–employee ethnic congruity provides a competitive advantage. However, this research provides deeper insight into the power-related mechanism that underlies ethnic congruity effects, which suggests that being served by an employee of a particular ethnic background can enhance service satisfaction through consumers' sense of power. Managers can leverage this effect by training employees to recognize ethnically congruent customers, segmenting ethnic consumers based on ethnic congruity motive, as well as by training frontline employees to leverage customers' sense of power during the service encounter.

INTRODUCTION

The US Hispanic market comprises the largest US ethnic minority group and boasts a purchasing power of \$1.7 trillion that is consistently rising (Morse, 2018; U.S. Census Bureau, 2020). Customer service plays a key role in US Hispanic customers' retail store choices. In their study on Hispanic retail customers, Fowler *et al.* (2007) found that the human factor is the most important dimension of the retail atmosphere that influences customer satisfaction and loyalty. Accordingly, Hispanic customers tend to favor establishments with Hispanic service frontline employees due to their inclination to provide Hispanic customers with beneficial service behaviors such as speaking Spanish or providing special service treatment (Montoya and Briggs, 2013; Penaloza, 1994; Seock, 2009). Interacting with frontline service employees who share a similar ethnic background helps ethnic customers feel like they belong, enhancing their store loyalty (Rosenbaum and Montoya, 2007); an outcome that also bolsters satisfaction with retail service recovery efforts (Ashley and Varki, 2009). However, studies examining customer service

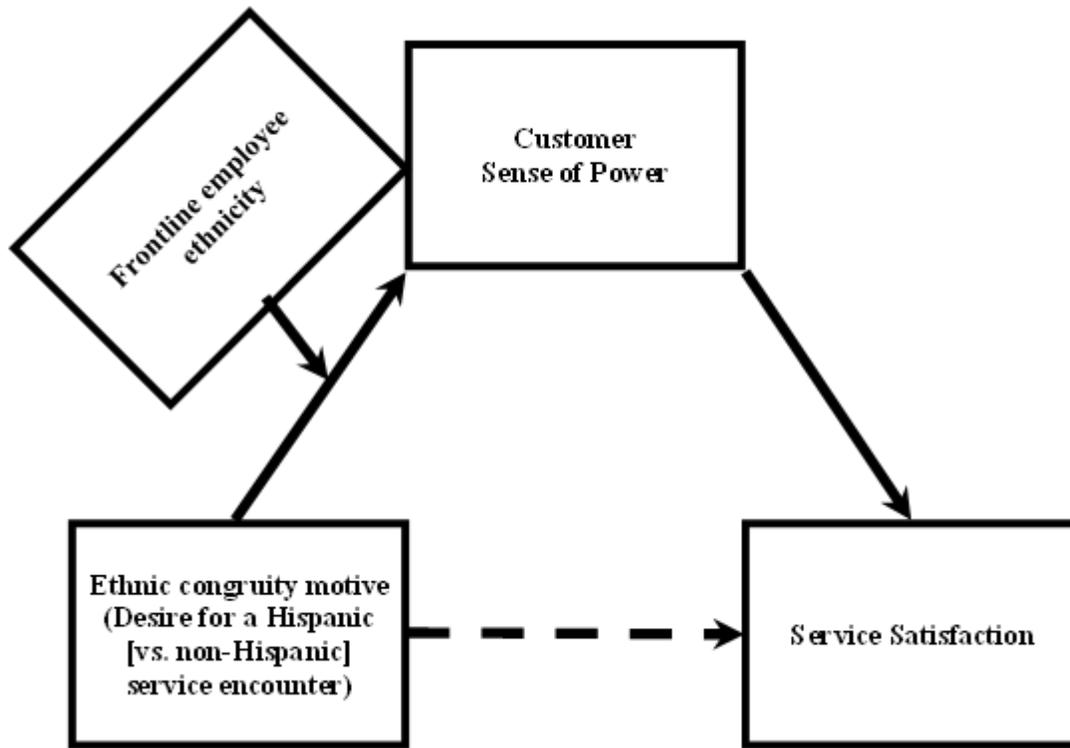
interactions with shared ethnicity employees present mixed findings on the relationship between customer–employee ethnic congruence and customer satisfaction. For instance, race did not affect customers' choice of grocery store clerks in one study (McCormick and Kinloch, 1986), but it significantly influenced preference toward fast food restaurant and bank clerks in another study (Juni *et al.*, 1988). Meanwhile, both race and ethnicity influenced choice of cashier or physician in a separate set of studies (Laveist and Nuru-Jeter, 2002; Malat and Hamilton, 2006). Most notably, a study conducted on a major U.S. retail chain found no consistent support that customers gravitate toward firms where they will be served by salespeople of their same ethnic background (Kochan *et al.*, 2003). We suggest that these mixed findings may be due, in part, to variations in ethnic customers' desire to be served by a frontline service employee who shares a similar ethnicity, in other words, an ethnic congruity motive. Most prior research on ethnic congruity or shared ethnicity in service settings assumes that ethnic customers possess an ethnic congruity motive. Certainly, social identity theory supports the notion that people tend to favor their social in-group members (Tajfel, 1982; Tajfel and Turner, 1979). Yet, we argue that not all ethnic group members necessarily favor other ethnic group members to the same extent and certainly not with the same favorability across all contexts. Rather, due to individual differences such as level of acculturation (Saldaña, 1994) and perceived status of one's ethnic group or cultural stereotypes (Alvarez *et al.*, 2017), customers' desire to be served by an ethnically congruent frontline service employee is likely to vary. We also propose that customers' ethnic congruity motive will influence their satisfaction with service experiences.

To our knowledge, this research is the first to propose and empirically examine ethnic congruity motive as an antecedent of service satisfaction. Shedding light on an individual difference characteristic such as ethnic congruity motive provides a better understanding of the effects of cultural variables on consumer behavior, which benefits retailers' approach toward provide satisfactory services to ethnic customers (Blodgett *et al.*, 2015). Furthermore, this research examines the mechanism that mediates this relationship between ethnic congruity motive and service satisfaction: sense of power. During a retail service encounter, customers would feel a greater sense of power when they perceive that they can influence the outcome of the encounter (Bradley *et al.*, 2010). Thus, we propose that Hispanic customers with an ethnic congruity motive expect favorable treatment from ethnic in-group members, which bolsters their sense of power in service encounters with Hispanic employees. Our research is distinct from the limited existing research on customer power in service encounters, which regards power as an antecedent state that the customer enters the service encounter with, rather than as a consequence of, the service interaction. The discriminatory treatment that many ethnic/racial minority customers experience in the marketplace detracts from their sense of power, which is their perceived ability to influence service outcomes (Walsh, 2009). Therefore, we consider that customers' sense of power in the service encounter is a pertinent and consequential mechanism to explore in relation to ethnicity in service encounters.

Our moderated mediation framework bridges the power literature and research on ethnicity in service encounters to provide new insight on the interplay of customers' ethnic congruity motive and sense of power and its impact on customer service satisfaction (Figure 1). Across three experiments, we demonstrate that customers' ethnic congruity motive (the desire to receive service from a Hispanic employee) is more positively associated with service satisfaction than ethnic incongruity motive (the desire to receive service from a non-Hispanic employee) (Study 1). Furthermore, felt power mediates the effect of ethnic congruity motive, but not of ethnic incongruity motive, on satisfaction (Study 2a and 2b).

Figure 1. Moderated Mediation Model

(Moderating the role of frontline ethnicity on the effect of ethnic congruity motive on service satisfaction through sense of power).



RESEARCH BACKGROUND AND HYPOTHESES

Ethnicity in Service Encounters

The term “ethnicity” refers to cultural differences among groups. For example, ethnic group members tend to identify themselves (or be identified by out-group members) by their cultural differences rather than their similarities (Hirschman and Snipp, 2001). Consumers often prefer to interact with retail service staff from their same ethnicity (Johnson-Hillery *et al.*, 1997; Shanmuganthan *et al.*, 2003). Indeed, a large-scale, content analysis-based study suggests that consumers exhibited greater satisfaction with the service they receive when the provider shares the same cultural background (Rizal *et al.*, 2016). This is noteworthy given that customer satisfaction is argued to be the ultimate goal of marketing research and practice (Larsen and Wright, 2020).

Customers and frontline employees who self-identify with a particular ethnicity consider themselves as members of a social group with common origins and shared cultural norms and behavior patterns (Friedman *et al.*, 2007; Phinney, 1996). As such, ethnic identification can engender expectations of cultural behavioral adaptation and in-group favoritism (Tajfel and Turner, 1979). Consider consumers from high-contact cultures, such as Latin American, Eastern European, and Arab cultures, who tend to display warmth and approachability through behaviors such as standing closer to others and greater touch manners (e.g., placing a hand on another’s

shoulder; Andersen *et al.*, 2002; Andersen, 1985). These consumers often prefer service providers from similar high-contact cultures given that interactions with service providers from low-contact cultures, such as Asian and northern European cultures, could seem colder due to their cultural tendencies toward less interpersonal immediacy in interactions (Sussman and Rosenfeld, 1982). When service employees' verbal and/or non-verbal behavior is consistent with customers' cultural expectations, the perceived communication competency facilitates a comfortable, satisfactory interpersonal service interaction (e.g., Collier *et al.*, 1986).

Customer Ethnic Congruity Motive and Service Encounter Satisfaction

Many retailers try to match the ethnic makeup of their frontline employees with those of their customers to appeal to customers who desire to patronize retail establishments with an ethnically congruent identity (Rosenbaum and Montoya, 2007). Previous research shows that such a strategy can provide positive outcomes. For example, across two studies, Ta *et al.* (2018) found that delivery services that disclose the driver's identity increase customers' trust, satisfaction, and repurchase intentions, but only when customers perceived that the driver shared their ethnic background. We suggest that this positive association between Hispanic customers' ethnic congruity with service employees and service satisfaction transpires when customers possess an ethnic congruity (versus incongruity) motive. In the interpersonal service context, we define ethnic congruity motive as a customer's desire to be served by a Hispanic [vs. non-Hispanic] service provider. However, some Hispanic customers' ethnic congruity motive may be stronger than others' due to individual differences related to acculturation level and assimilation motives, which we discuss subsequently.

Differences in customer acculturation may dampen customers' ethnic congruity motive. For many ethnic consumers, the motivation to acculturate is associated with a felt need to detach from their heritage culture as a means of redefining their identity as a member of the host culture (Padilla and Perez, 2003). For example, a study with US Hispanic consumers showed that highly acculturated Hispanic consumers (those who identify primarily with mainstream American culture) did not respond in culturally congruent ways (e.g., adopting Hispanic culture-expressive product attitudes and purchase intentions) to Hispanic cultural primes (Chattaraman *et al.*, 2010). This consumer behavior finding seems to reflect a weak ethnic congruity motive, driven by Hispanic participants' acculturation level. Such weakness or absence of an ethnic congruity motive could pose a barrier to felt similarity or in-group connection between a Hispanic customer and a Hispanic service employee.

Assimilation motives can also increase individuals' sensitivity to social stigmas associated with their ethnic group (Padilla and Perez, 2003). Some minority ethnic groups are cognizant of the dominant ethnic group's negative stereotypes and negative treatment of their ethnic group, which can devalue their social identity. Some US Hispanic ethnic groups, such as Mexican Americans, believe that their ethnic group is viewed negatively by many non-Hispanic Whites (Casas *et al.*, 1987). Individuals who consider their ethnicity to be outwardly visible by their physical appearance (e.g., skin color, facial features) or due to their language accent may be particularly sensitive to the prejudice that their ethnic features may trigger (Goffman, 1963; Steele and Aronson, 1995). Research suggests that consumers commonly avoid circumstances that are even symbolic of a dissociative group, to avoid associating with undesirable identities (White and Dahl, 2006). Thus, some Hispanic customers may avoid signaling their Hispanic identity, such as by avoiding Hispanic frontline service employees, as a self-protective mechanism against experiencing discrimination.

For these reasons, we suggest that whereas some Hispanic customers may enter the service encounter with an ethnic congruity motive (desire service from a Hispanic frontline employee), others may enter it with an ethnic incongruity motive (desire service from non-Hispanic frontline employees). Given that customer satisfaction is determined by disconfirmation of expectations, such as felt similarity and in-group favoritism expectations from service involving a Hispanic frontline employee, as well as the extent that a service fulfills a person's desires (Spreng et al., 1996), we propose that Hispanic customers' ethnic congruity (versus incongruity) motive will predict their satisfaction with the service encounter. Specifically, the fulfillment of the desire for service by a Hispanic service employee and perceived confirmation of expectations of felt similarity and in-group favoritism will result in greater satisfaction for customers with an ethnic congruity motive. Alternately, the service evaluations of Hispanic customers with an ethnic incongruity motive (desire to be served by a non-Hispanic service employee) will lack felt similarity and in-group favoritism. As a result, Hispanic customers with an ethnic incongruity (vs. congruity) motive will experience weaker service satisfaction. Formally, we hypothesize:

H1. *Hispanic customers' ethnic congruity (incongruity) motive is associated with stronger (weaker) service satisfaction with a Hispanic (non-Hispanic) service provider.*

Ethnic Congruity and Sense of Power in the Service Encounter

Power is commonly conceptualized in terms of control over resources that elevates the individuals' social status (Rucker et al., 2011). However, power is also a psychological state in which individuals perceive themselves as being able to influence others (Bugental et al., 1999; Galinsky et al., 2003), without necessity of controlling resources or possessing social status or position of authority (Anderson et al., 2006; Fast and Chen, 2009). For instance, Blodgett, Hill and Bakir (2006) demonstrated that customers in India perceive that they have little power to resolve unsatisfactory purchase experiences due to local retail stores' unfavorable return and exchange policies. Conversely, US customers perceive they have greater power to resolve such situations given US retail stores' favorable return and exchange policies. In another example, a study conducted by Meng et al. (2010) with two US ethnic immigrant groups showed that Mexican immigrant consumers perceive a higher likelihood of successful resolution of a retail service complaint than Chinese immigrant consumers. This difference reflects ethnic customers' divergent perceptions of power in the customer service context.

Feeling sense of power provides a basic psychosocial need of customers in service encounters (Bradley et al., 2010). Frontline service employees' adaptive service behaviors, which consist of customizing their interpersonal style and/or the service offering (Gwinner et al., 2005), can enhance customers' sense of power given that the adaptations are intended to meet customers' individual needs. For example, if an ethnic customer does not speak the local language well and the employee makes an effort to speak the customer's native language, the customer's sense of power will increase through heightened communication competence during service encounter (see Giles et al., 1987). Similarly, if a service employee tailors the goods or services offered, this can also increase customers' felt power during service encounter by increasing the advantage customers perceive from the service interaction (Bradley et al., 2010).

Prior research finds that customers sometimes expect special treatment or benefits when interacting with an ethnically similar service employee (Montoya and Briggs, 2013). These expectations arise from the tendency of individuals to favor in-group over out-group members

(Tajfel, 1982; Tajfel and Turner, 1979), such as by preferring to share resources with in-group (over out-group) members (Foa and Foa, 1974; Hewstone *et al.*, 2002). For example, a Hispanic customer with an ethnic congruity motive may expect that a Hispanic hotel employee will not only verbally describe the hotel's amenities (the standard service offering) but will also provide a customized walking tour of the amenities (service offering adaptation). We suggest that the extent to which ethnic customers will expect preferential services, and, in turn, will increase ethnic customers' sense of power in the service encounter is determined by their ethnic congruity motive. Ethnic congruity motive customers find special treatment desirable. The expectation of favoritism bolsters ethnic customers' sense of power in the service encounter due to the advantage they expect to gain from the resources shared by ethnically congruent service employees. Conversely, given that Hispanic customers with an ethnic incongruity motive desire service from non-Hispanic service employees, they are unlikely to expect special interpersonal- or service offering-type adaptation behaviors that leverages their advantage in service encounters with ethnic out-group service employees. We expect that the absence of expectations of such perceived service advantages would diminish these customers' sense of power in ethnically incongruent service encounters. It is important to note that our theorizing focuses on the effect of customer expectations and perceptions on sense of power in the service encounter, rather than on the effects of actual preferential (versus standard) service. Although it is possible that ethnically congruent employees would provide standard, rather than special treatment, and that ethnically incongruent employees would provide special rather than standard treatment, the extent to which such actual service experiences would impact sense of power is outside the scope of this research. Thus, we hypothesize:

H2: *Hispanic customers' ethnic congruity (incongruity) motive is associated with stronger (weaker) sense of power in service encounters with a Hispanic (non-Hispanic) service provider.*

Customers' Sense of Power and Service Encounter Satisfaction

In service encounters, customers possess the psychosocial need for power (Anderson and Berdahl, 2002). Previous research has shown that service encounter cues should be designed to bolster customers' felt power, which is associated with feeling able to influence the service outcome (Yoo, 2017). For example, Min *et al.* (2019) suggest that since service employees' body language can signal power to customers, employees should avoid agentic demeanors when serving customers, such as demonstrating the power to make a sample or special discount accessible (or inaccessible). Menon and Bansal (2007) found evidence to suggest that since high-power customers believe they can alter a situation to their benefit, they experience greater satisfaction with the service encounter. Given the desirability of felt power in service encounters and the positive effect on customers' service satisfaction, we hypothesize the following:

H3. *Hispanic customers' sense of power in the service encounter is positively associated with service satisfaction.*

The Mediating Role of Customer Sense of Power

The service-retail literature establishes that ethnic customers (e.g., Hispanic) prefer to interact with service providers from their same ethnicity (versus other ethnic group members) due to better communication competency, cultural understanding, and expectations of benefiting from

in-group favoritism such as special treatment. We suggest that Hispanic customers with an ethnic congruity motive seek out ethnically congruent service encounters because these service encounter qualities bolster consumers' perceived ability to ensure their desired service outcome, which increases their sense of power. In turn, this increased sense of power enhances satisfaction toward a service encounter with a Hispanic employee. Alternately, ethnically incongruent service encounters lack the preferential service qualities that typify service by a shared ethnicity employee, which diminishes the customers' sense of power in the service encounter. Weak sense of power results in diminished service satisfaction toward service by an ethnic incongruent retail service employee. Thus, we hypothesize:

H4: *Sense of power mediates the effect of ethnic congruity motive on customers' service satisfaction, such that Hispanic customers' ethnic congruity (incongruity) motive results in stronger (weaker) sense of power in service encounters with a Hispanic (non-Hispanic) service provider, which, in turn, produces greater (lesser) service satisfaction.*

STUDY 1

Study 1 investigates the predicted positive relationship between Hispanic customers' ethnic congruity motive and service satisfaction (H1). This study uses a Qualtrics web-based experimental design in which participants read a scenario involving a Hispanic customer's service encounter with travel agents of Hispanic, white American, or African American ethnicities and completed a variety of measures.

Participants and Design

We recruited participants in exchange for a small monetary incentive through the Amazon Mechanical Turk (MTurk) platform. The data collection took place in Fall 2020. At the start of the survey, participants indicated whether they were Hispanic ("Are you at least part Hispanic/Latino(a)/Chicano? Yes/No"). Only Hispanic adults were allowed to take part in the study. To control the quality of our data, our survey included attention check questions with a "fixed answer" in the very beginning of the survey. Participants were asked to respond to the following statement: "If you took the time to read these instructions, which many people who respond to surveys do not, then please answer the questions below by clicking on the option that says, "strongly disagree", rather than checking the response that says, "strongly agree"." Then we screened out those who failed to respond correctly. The final sample consisted of 71 adults (59% male, $M_{\text{age}} = 30$ years) who were randomly assigned to one of three conditions of service provider ethnicity (Hispanic vs. white American vs. African American), a between-subjects factor. Ethnic congruity motive was a measured continuous factor.

Procedure and Measures

After being randomly assigned to one of the three frontline travel agency employee ethnicity conditions, participants completed a battery of survey items. Ratings of all multi-item measures were averaged for our statistical analyses. The measure of the independent variable, ethnic congruity motive, consisted of rating, "How desirable is it to be served by a(n) [assigned ethnicity] employee in a retail service establishment?" on two 7-point scales (1 = *not at all*, 7 = *extremely*; 1 = *very undesirable*, 7 = *very desirable*). This variable measure was embedded

unobtrusively to avoid direct influence on the dependent measure within a battery of demographic questions.

Subsequently, participants read a scenario adapted from Boukis (2016) about an interpersonal customer service encounter with a travel agent. They were told that a Hispanic customer (Alex Hernandez) was planning a family cruise vacation and visited a travel agency in which Alex sees three frontline employees at the service counter occupied with other customers. Participants then viewed three side-by-side images of the employees with their name under the picture: José Alonzo (Hispanic), Brett Stevenson (white American), and Terrell Johnson (African American). We pre-tested these images with a separate MTurk sample of 90 Hispanic adults, who were randomly assigned to one of the three ethnic employee images and rated likability with a single item (“How do you feel about the travel agent?”) on a 7-point scale (1 = *dislike*, 7 = *like*). No significant mean differences arose ($M_{Hispanic} = 5.53$, $M_{African American} = 5.84$, $M_{White American} = 5.63$; $F(2, 89) = 0.61$, $p > .5$) and the overall mean liking score ($M = 5.66$) was significantly above the scale neutral point ($t(89) = 12.17$, $p < .001$).

Participants read that Alex waited by looking at some travel brochures and then was greeted by the first available travel agent whose picture and name appeared on screen. The interaction depicted the employee providing standard service, with some basic suggestions, that resulted in Alex booking the cruise vacation. Next, participants completed the dependent variable (service satisfaction) by responding to a single item (“How satisfied is Alex with the service received at the travel agency?”) on two 7-point scales anchored by *very unsatisfied/very satisfied* and *not at all/completely*. Participants were then thanked and debriefed.

Table 1
Summary of IV and DV corresponding with each experimental condition in Study 1

| Condition | Assigned travel agent ethnicity | Independent variable (measured) | Dependent variable (measured) |
|-----------|---------------------------------|--|--|
| 1 | Hispanic | <i>Ethnic congruity motive</i> = Desire for service by Hispanic retail service employee | Satisfaction with service provided by Hispanic travel agent |
| 2 | White American | <i>Ethnic incongruity motive</i> = Desire for service by White American retail service employee | Satisfaction with service provided by White American travel agent |
| 3 | African American | <i>Ethnic incongruity motive</i> = Desire for service by African American retail service employee | Satisfaction with service provided by African American service travel agent |

Results

We conducted moderated multiple regression analysis using SPSS, with ethnic congruity motive as the independent variable, employee ethnicity as a moderator, and service satisfaction as the dependent variable. The three categories of employee ethnicity were dummy coded into two variables: D1 (0= Hispanic, 1= White American) represents a comparison of the Hispanic versus White American travel agent condition, and D2 (0= Hispanic, 1= African American) represents a comparison of the Hispanic versus African American travel agent condition (see Table 2 for a

breakdown of the specific independent and dependent variables corresponding with each travel agent ethnicity condition).

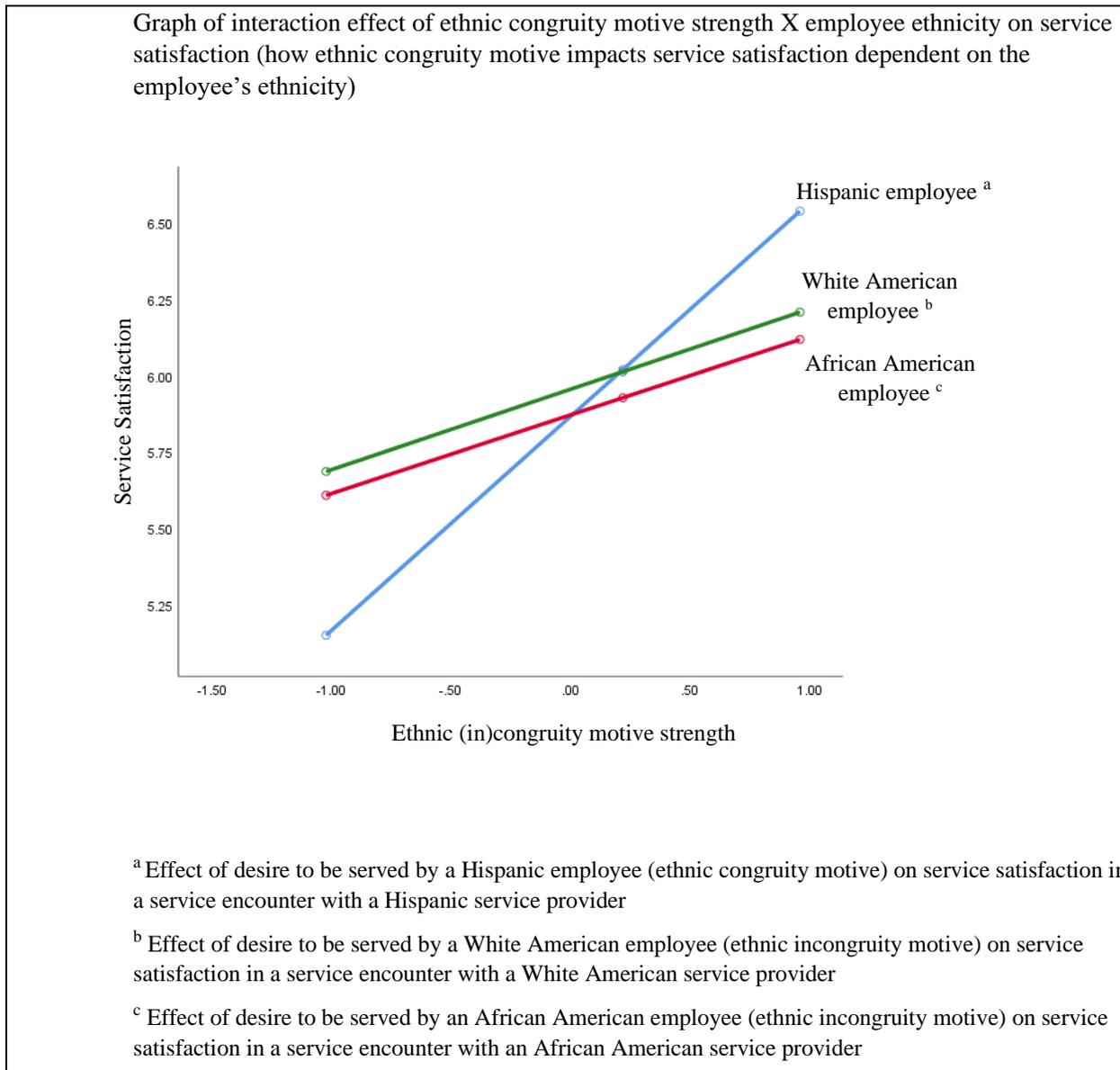
The results revealed a significant ethnic congruity motive effect, which was qualified by a significant interaction with the D1 variable ($b = -.66, t = -2.84, p < .01$) and by a significant interaction with the D2 variable ($b = -.59, t = -2.84, p < .01$; see Table 2, Panel A; see Figure 2). These two interaction effects signify that participants' desire for service with a Hispanic service provider (ethnic congruity motive) resulted in greater service satisfaction with a Hispanic service provider ($b = .92, t = 5.07, p < .001$) compared with the ethnic incongruity effects on satisfaction with a White American employee ($b = .26, t = 1.76, p = .083$) and an African American employee ($b = .26, t = 2.40, p < .05$; see Table 2, Panel B). These results support H1.

Table 2
Study 1 Linear Multiple Regression Results

| PANEL A | | | | | | |
|---|-------------|------------|----------|------------|--------------|--------------|
| Outcome variable: Service Satisfaction | | | | | | |
| Model Summary | | | | | | |
| <i>R</i> | <i>R-sq</i> | <i>MSE</i> | <i>F</i> | <i>df1</i> | <i>df2</i> | <i>p</i> |
| .61 | .37 | .54 | 7.61 | 5 | 65 | .001 |
| Predictor variable | <i>B</i> | <i>SE</i> | <i>t</i> | <i>p</i> | <i>Lower</i> | <i>Upper</i> |
| Constant | 5.73 | .17 | 33.97 | .001 | 5.40 | 6.07 |
| Ethnic (in)congruity motive (E[I]CM) | 0.92 | .18 | 5.07 | .001 | 0.56 | 1.28 |
| D1 | 0.17 | .24 | 0.72 | .476 | -0.30 | 0.65 |
| D2 | 0.25 | .22 | 1.12 | .265 | -0.19 | 0.69 |
| E(I)CM * D1 | -0.66 | .23 | -2.84 | .006 | -1.13 | -0.20 |
| E(I)CM * D2 | -0.59 | .22 | -2.70 | .009 | -1.02 | -0.15 |
| PANEL B | | | | | | |
| Conditional effects of ethnic (in)congruity motive toward each service employee ethnicity on service satisfaction | | | | | | |
| Levels of the moderator | <i>b</i> | <i>SE</i> | <i>t</i> | <i>p</i> | <i>Lower</i> | <i>Upper</i> |
| Hispanic | .92 | .18 | 5.07 | .001 | 0.56 | 1.28 |
| White American | .26 | .15 | 1.76 | .083 | -0.04 | 0.55 |
| African American | .33 | .12 | 2.73 | .008 | 0.09 | 0.57 |

*Note: D1= employee ethnicity conditions comparison #1: 0= Hispanic, 1= White American; D2= employee ethnicity conditions comparison #2: 0= Hispanic, 1= African American

Figure 2, Study 1



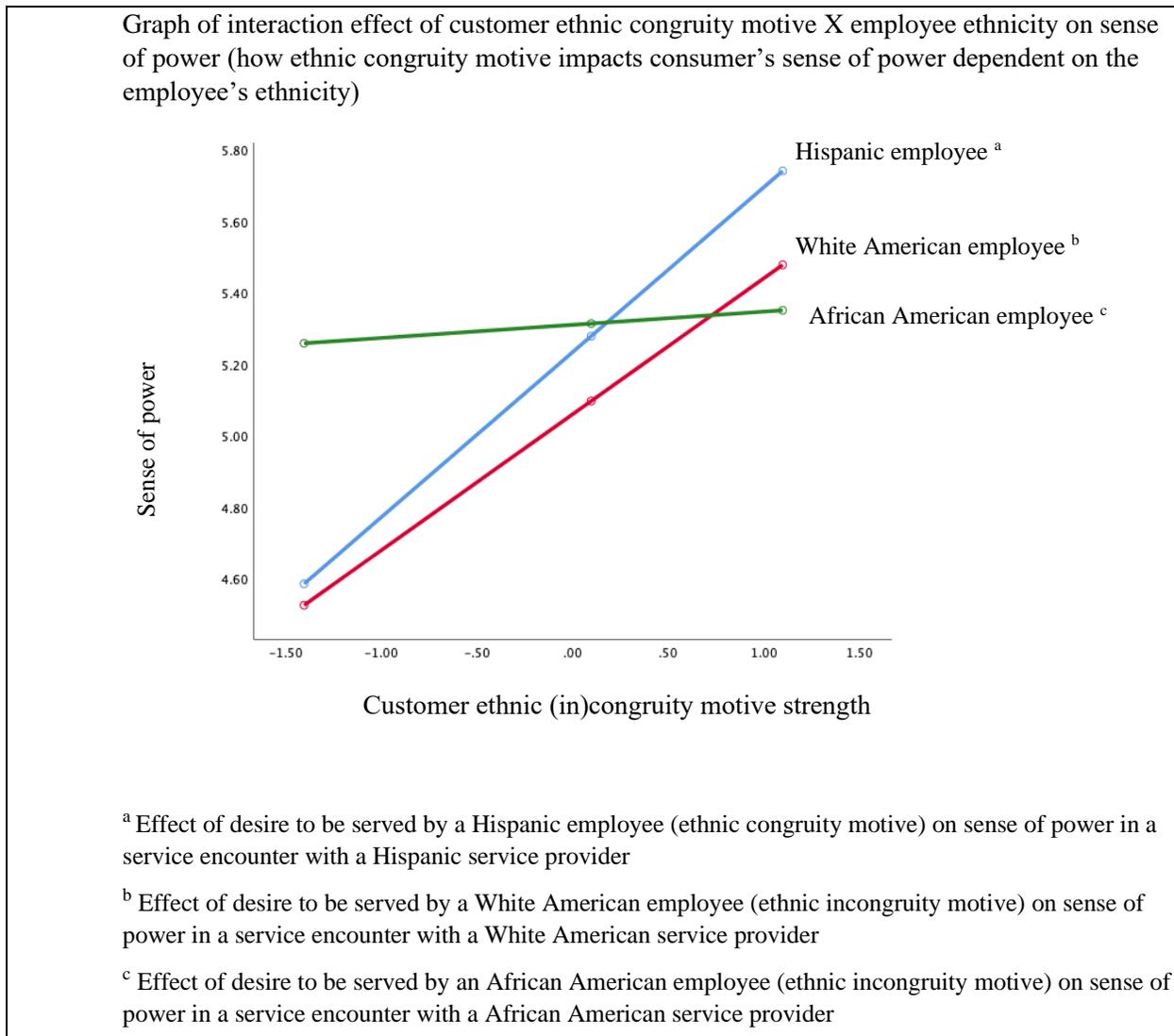
STUDY 2

Study 2a and Study 2b (replication study) investigate the relationship of Hispanic customers' ethnic congruity motive on sense of power in the service encounter (H2), the relationship of sense of power with service satisfaction (H3), and whether sense of power mediates the relationship of ethnic congruity motive and satisfaction (H4). The Qualtrics web-based experiment studies involved a non-student sample (Study 2a) and a student sample (Study 2b).

Study 2a

Participants, design, and procedure. We recruited participants in exchange for a small monetary incentive through the MTurk platform. The data was collected in Spring 2020. As in study 1, only Hispanic adults were allowed to participate in the study and attention checks were used for data quality control. The final sample consisted of 107 adults (63% male, $M_{age} = 30$ years), which were randomly assigned to one of three conditions of service provider ethnicity (Hispanic vs. white American vs. African American), a between-subjects factor. Customer ethnic congruity motive was a continuous, measured factor. The procedure was fairly identical to that in Study 1. However, it included several measures that participants completed after the dependent measure, such as a sense of power process measure and covariate measures of perceived socioeconomic status of their Hispanic ethnic group and generational status (see Appendix A for measures).

Figure 3, Study 2a



Study 2a results. We conducted a moderated mediation analysis using PROCESS (model 7; Hayes, 2018) with a bootstrap sample of 10,000 and 95% confidence intervals. The model included customer ethnic congruity motive as a continuous independent variable, dummy-coded employee ethnicity variables as moderators, sense of power as a mediator, and service satisfaction as the dependent variable. As in the previous study, the three categories of employee ethnicity were dummy coded into two variables: D1 (0= Hispanic, 1= White American) compares the Hispanic versus White American travel agent condition, and D2 (0= Hispanic, 1= African American) compares the Hispanic versus African American travel agent condition (see Table 3 for a breakdown of the specific independent, mediator, and dependent variables corresponding with each travel agent ethnicity condition). Additionally, perceived socioeconomic (SES) status and generational (GEN) status were included as covariates given their potential extraneous influence on sense of power. Neither of the covariates was statistically significant in either the regression model with sense of power as the dependent variable (see Table 4, Panel A) or in the regression model with service satisfaction as the dependent variable (see Table 4, Panel C).

The regression model with sense of power as the dependent variable revealed a significant ethnic congruity motive effect, qualified by a significant ethnic congruity motive interaction effect with the D2 variable ($b = -.42, t = -2.28, p < .05$; see Table 4, Panel A). The interaction effect was such that participants’ ethnic congruity motive resulted in stronger service satisfaction with a Hispanic service provider ($b = .50, t = 3.63, p < .001$), compared to the service satisfaction resulting from participants ethnic incongruity motive for service from an African American service provider ($b = .07, t = 0.65, p > .5$; see Table 4, Panel B; see Figure 3). No other effects in this regression model were statistically significant. The non-significant ethnic congruity motive interaction with D1 indicates that participants’ service satisfaction resulting from an ethnic congruity motive ($b = .50, t = 3.63, p < .001$) did not differ significantly from the service satisfaction resulting from an ethnic incongruity motive for service from a White American service provider ($b = .41, t = 2.96, p < .01$; See Table 4, Panel B). The results provide partial support for H2.

Table 3

Summary of IV, Mediator, and DV corresponding with each experimental condition in Study 2a and 2b

| Condition | Assigned travel agent ethnicity | Independent variable (measured) | Mediator (measured) | Dependent variable (measured) |
|-----------|---------------------------------|--|---------------------|--|
| 1 | Hispanic | <i>Ethnic congruity motive</i> = Desire for service by Hispanic retail service employee | | Satisfaction with service provided by Hispanic service employee |
| 2 | White American | <i>Ethnic incongruity motive</i> = Desire for service by White American retail service employee | | Satisfaction with service provided by White American service employee |
| 3 | African American | <i>Ethnic incongruity motive</i> = Desire for service by African American retail service employee | | Satisfaction with service provided by African American service employee |

The results of the regression model with service satisfaction as the dependent variable demonstrated a significant, positive effect of sense of power ($b = .67, t = 8.90, p < .001$; see Table

4, Panel C), which supports H3. No other effects in this regression model are statistically significant. Next, we examine the direct and indirect effects.

The direct effect ethnic congruity motive on service satisfaction, controlling for sense of power, was non-significant ($b = .09, t = 1.51, p > .1$). The index of moderated-mediation for the D2 variable was statistically significant ($b = -.26, 95\% \text{ CI } [-.64, -.01]$), which indicates that the indirect effect of customer ethnic congruity motive on service satisfaction differs significantly between desire for service from a Hispanic ($b = .28, 95\% \text{ CI } [.13, .52]$) versus African American service provider ($b = .02, 95\% \text{ CI } [-.22, .22]$; see Table 4, Panel D). These indirect effects reveal that desire for service from a Hispanic service provider produces greater sense of power in the service encounter with a Hispanic employee ($b = .50, t = 3.63, p < .001$; see Table 4, Panel B), which positively influences service satisfaction ($b = .67, t = 8.90, p < .001$; see Table 4, Panel C). Conversely, desire for service from an African American service provider does not affect sense of power in the service encounter with an African American employee ($b = .07, t = 0.65, p > .5$); see Table 4, Panel B). Hence, the conditional indirect effect results show that sense of power does not mediate the relationship of ethnic congruity motive to satisfaction with service from an African American service provider ($b = .02, 95\% \text{ CI } [-.22, .22]$, confidence interval overlaps with zero; see Table 4, Panel D). Lastly, the index of moderated-mediation for the D1 variable was not statistically significant ($b = -.05, 95\% \text{ CI } [-.32, .18]$), which is indicative of the similar indirect effects of ethnic congruity motive on service satisfaction with a Hispanic employee ($b = .28, 95\% \text{ CI } [.13, .52]$) versus a white American employee ($b = .23, 95\% \text{ CI } [.07, .45]$; see Table 4, Panel D). These results provide partial support for H4.

Study 2b

To provide generalizability to the previous study's findings, Study 2b aimed to replicate the results of Study 2a using the same study design and procedure administered to an undergraduate student sample.

Participants, design, and procedure. In exchange for course credit, 226 undergraduate students (64% female, $M_{\text{age}} = 23.2$) from a major public university in the southeastern United States volunteered to take part in the study. The data were collected in Spring 2020 via a Qualtrics web survey. The design, stimuli, procedure, and measures are identical to those in Study 2a. Study 2b results. The regression model with sense of power as the dependent variable showed a significant ethnic congruity motive effect, qualified by a significant ethnic congruity motive interaction effect with the D2 variable ($b = -.36, t = -2.90, p < .01$; see Table 5, Panel A). The interaction effect was such that participants' ethnic congruity motive resulted in stronger sense of power from service with a Hispanic service provider ($b = .36, t = 3.93, p < .001$), compared to the sense of power resulting from participants ethnic incongruity motive for service by an African American service provider ($b = .01, t = 0.07, p > .9$; see Table 5, Panel B; see Figure 4). No other effects in this regression model were statistically significant. The non-significant ethnic congruity motive interaction with D1 indicates that participants' sense of power arising from service by a Hispanic employee ($b = .36, t = 3.93, p < .001$) did not differ significantly from the sense of power resulting from service by a White American service provider ($b = .13, t = 1.24, p > .2$; See Table 5, Panel B). This result suggests that Hispanic participants' desire to receive service from a Hispanic frontline employee leads to a stronger sense of power during the service encounter than

Table 4
Study 2a Moderated Mediation Results with MTurk sample

| PANEL A | | | | | | |
|--|------------------|------------|----------|------------|--------------|--------------|
| Outcome variable: Sense of Power | | | | | | |
| Model Summary | | | | | | |
| <i>R</i> | <i>R-sq</i> | <i>MSE</i> | <i>F</i> | <i>df1</i> | <i>df2</i> | <i>p</i> |
| .45 | .20 | .93 | 3.63 | 7 | 99 | .002 |
| Predictor variable | <i>b</i> | <i>SE</i> | <i>t</i> | <i>p</i> | <i>Lower</i> | <i>Upper</i> |
| Constant | 5.20 | .40 | 13.11 | .001 | 4.42 | 5.99 |
| Ethnic (In)Congruity Motive (E[I]CM) | 0.50 | .14 | 3.63 | .001 | 0.23 | 0.77 |
| D1 | -0.15 | .23 | -0.67 | .507 | -0.61 | 0.30 |
| D2 | 0.13 | .23 | 0.55 | .581 | -0.33 | 0.59 |
| E(I)CM * D1 | -0.09 | .19 | -0.44 | .661 | -0.47 | 0.30 |
| E(I)CM * D2 | -0.42 | .18 | -2.28 | .025 | -0.78 | -0.05 |
| Socioeconomic Generation | 0.01 | .05 | 0.25 | .800 | -0.09 | 0.12 |
| | -0.03 | .06 | -0.47 | .640 | -.14 | 0.08 |
| PANEL B | | | | | | |
| Conditional effects of ethnic (in)congruity motive toward each employee ethnicity on sense of power | | | | | | |
| <i>Service employee ethnicity</i> | <i>b</i> | <i>SE</i> | <i>t</i> | <i>p</i> | <i>Lower</i> | <i>Upper</i> |
| Hispanic | .50 ^a | .14 | 3.63 | .001 | .23 | .77 |
| White American | .41 ^b | .14 | 2.96 | .004 | .14 | .69 |
| African American | .07 ^c | .12 | 0.65 | .520 | -.16 | .31 |

*Note: D1= employee ethnicity conditions comparison #1: 0= Hispanic, 1= White American; D2= employee ethnicity conditions comparison #2: 0= Hispanic, 1= African American

^a Effect of desire to be served by a Hispanic employee (ethnic congruity motive) on sense of power in a service encounter with a Hispanic service provider

^b Effect of desire to be served by a White American employee (ethnic incongruity motive) on sense of power in a service encounter with a White American service provider

^c Effect of desire to be served by an African American employee (ethnic incongruity motive) on sense of power in a service encounter with an African American service provider

Table 4 (continued)

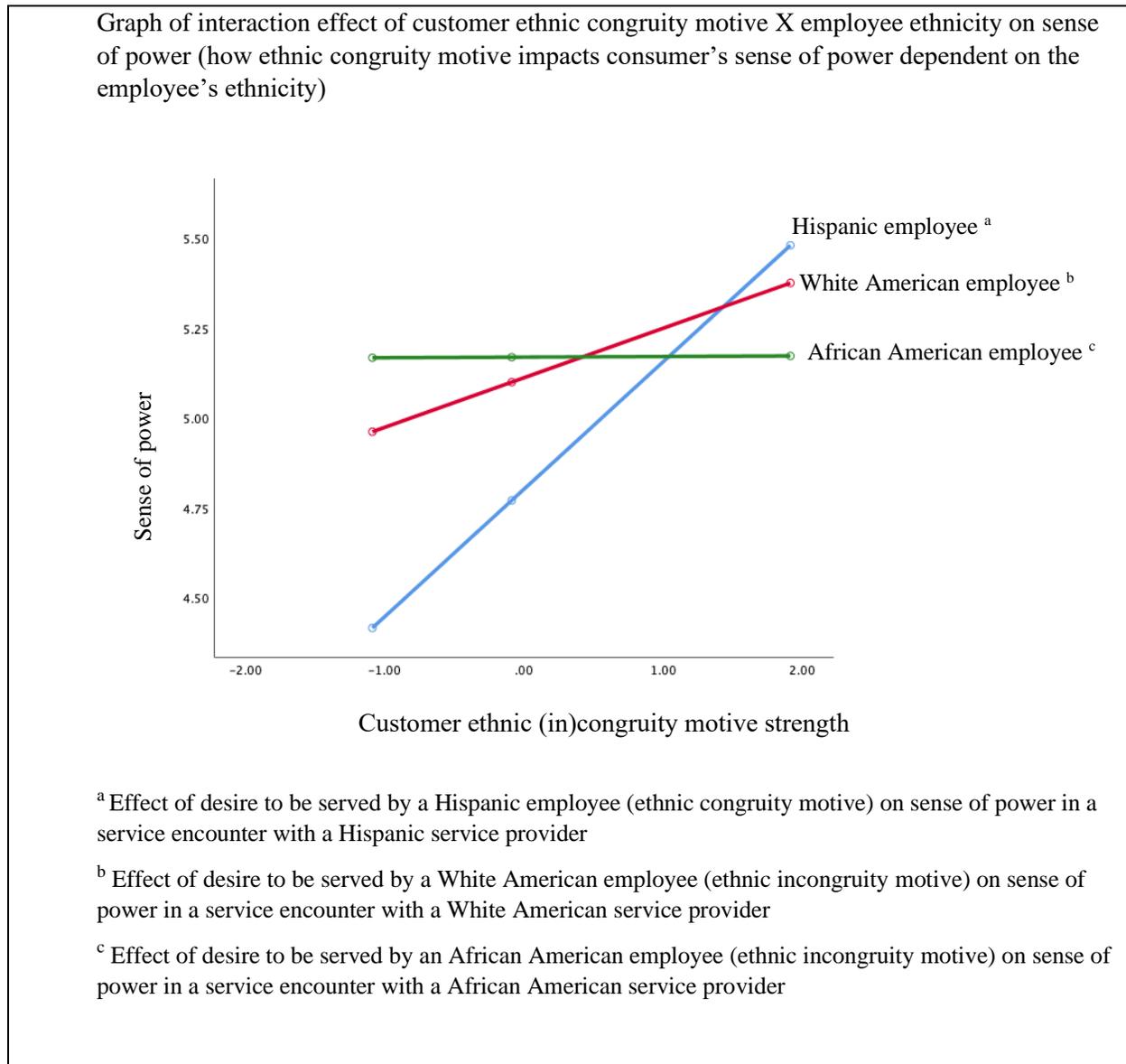
| PANEL C | | | | | | |
|--|------------------|------------|----------|------------|-------------------|-------------------|
| Outcome variable: Service Satisfaction | | | | | | |
| Model Summary | | | | | | |
| <i>R</i> | <i>R-sq</i> | <i>MSE</i> | <i>F</i> | <i>df1</i> | <i>df2</i> | <i>p</i> |
| .72 | .52 | .56 | 26.74 | 4 | 102 | .001 |
| Predictor variable | <i>b</i> | <i>SE</i> | <i>t</i> | <i>p</i> | <i>Lower</i> | <i>Upper</i> |
| Constant | 2.63 | .48 | 5.47 | .001 | 1.67 | 3.58 |
| E(ICM) | 0.09 | .06 | 1.51 | .134 | -0.03 | 0.22 |
| Sense of Power | 0.67 | .07 | 8.90 | .001 | 0.52 | 0.82 |
| Socioeconomic Generation | -0.04 | .04 | -0.98 | .329 | -0.12 | 0.04 |
| | -0.04 | .04 | -0.89 | .375 | -0.12 | 0.05 |
| PANEL D | | | | | | |
| Direct effect of ethnic (in)congruity motive on service satisfaction | | | | | | |
| | <i>b</i> | <i>SE</i> | <i>t</i> | <i>p</i> | <i>Lower</i> | <i>Upper</i> |
| | .09 | .06 | 1.51 | .133 | -.03 | .22 |
| Conditional indirect effect of ethnic (in)congruity motive toward each employee ethnicity on service satisfaction | | | | | | |
| <i>Service employee ethnicity</i> | <i>b</i> | <i>SE</i> | | | <i>Boot_Lower</i> | <i>Boot_Upper</i> |
| Hispanic | .28 ^a | .10 | | | .13 | .52 |
| White American | .23 ^b | .10 | | | .07 | .45 |
| African American | .02 ^c | .11 | | | -.22 | .22 |
| Index of Moderated Mediation (difference between conditional indirect effects) | | | | | | |
| | <i>Index</i> | <i>SE</i> | | | <i>Boot_Lower</i> | <i>Boot_Upper</i> |
| D1 | -.05 | .13 | | | -.32 | .18 |
| D2 | -.26 | .17 | | | -.64 | -.01 |

^a Indirect effect of desire to be served by a Hispanic employee (ethnic congruity motive) on service satisfaction through sense of power in a service encounter with a Hispanic service provider

^b Effect of desire to be served by a White American employee (ethnic incongruity motive) on service satisfaction through on sense of power in a service encounter with a White American service provider

^c Effect of desire to be served by an African American employee (ethnic incongruity motive) on service satisfaction through on sense of power in a service encounter with an African American service provider

Figure 4, Study 2b



their desire to receive service from an African American frontline employee, but it did not differ in reference to the White American employee. These results partially support H3.

The regression model with service satisfaction as the dependent variable showed significant effects of overall ethnic (in)congruity motives (across all employee ethnicity conditions; $b = .23, t = 4.42, p < .001$) and sense of power ($b = .54, t = 8.61, p < .001$; See Table 5, Panel C). Sense of power positively affected service satisfaction, which supports H2. No other effects were statistically significant. Next, we examine the direct and indirect effects.

The index of moderated mediation associated with D2 (index = $-.19, 95\% \text{ CI } [-.3740, -.0208]$) was statistically significant (see Table 5, Panel D), which indicates that the indirect effect of customer ethnic (in)congruity motive on service satisfaction differs significantly between desire for service from a Hispanic ($b = .20, 95\% \text{ CI } [.06, .35]$) versus African American service provider

($b = .003$, 95% CI [-.09, .10], confidence interval overlaps with zero; see Table 4, Panel D). These indirect effects are such that desire for service from a Hispanic service provider produces greater sense of power in the service encounter with a Hispanic employee ($b = .36$, $t = 3.93$, $p < .001$; see Table 5, Panel B), which positively influences service satisfaction ($b = .54$, $t = 8.61$, $p < .001$; see Table 5, Panel C). Conversely, desire for service from an African American service provider does not affect sense of power in the service encounter with an African American employee ($b = .01$, $t = 0.07$, $p > .9$); see Table 5, Panel B), which preempts sense of power from mediating the relationship of ethnic incongruity motive to satisfaction with service from an African American service provider ($b = .02$, 95% CI [-.22, .22], confidence interval overlaps with zero; see Table 5, Panel D). Lastly, the index of moderated-mediation for the D1 variable was not statistically significant ($b = -.13$, 95% CI [-.30, .04]), which indicates the similarity of the indirect effects of ethnic (in)congruity motive on service satisfaction with a Hispanic employee ($b = .20$, 95% CI [.06, .35]) versus a white American employee ($b = .07$, 95% CI [-.02, .17]; see Table 5, Panel D). These results provide partial support for H4.

GENERAL DISCUSSION

Despite the importance of customer–employee ethnic congruity in a retail service space and the proclivity of ethnic consumers to favor other similar ethnic group members, scant research has explored when and how service provider ethnic congruity enhances ethnic customers’ service satisfaction. To fill this gap, this study investigates the influence of Hispanic customers’ desire to be served by a Hispanic service provider on service satisfaction and the mechanism of felt power underlying this effect. The hypothesis test results for each study are summarized in Table 6.

Table 5

Study 2b Moderated Mediation Results with Student Sample

| PANEL A | | | | | | |
|--------------------------------------|-------------|------------|----------|------------|--------------|--------------|
| Outcome variable: Sense of Power | | | | | | |
| Model Summary | | | | | | |
| <i>R</i> | <i>R-sq</i> | <i>MSE</i> | <i>F</i> | <i>df1</i> | <i>df2</i> | <i>p</i> |
| .32 | .10 | 1.37 | 3.44 | 7 | 218 | .002 |
| Predictor variable | <i>b</i> | <i>SE</i> | <i>t</i> | <i>p</i> | <i>Lower</i> | <i>Upper</i> |
| Constant | 5.06 | .30 | 16.95 | .001 | 4.47 | 0.65 |
| Ethnic (In)Congruity Motive (E[I]CM) | 0.37 | .09 | 3.94 | .001 | 0.18 | 0.55 |
| D1 | 0.37 | .19 | 1.92 | .056 | -0.01 | 0.76 |
| D2 | 0.36 | .19 | 1.87 | .062 | -0.02 | 0.74 |
| E(I)CM * D1 | -0.23 | .14 | -1.63 | .106 | -0.51 | 0.05 |
| E(I)CM * D2 | -0.36 | .12 | -2.90 | .004 | -0.60 | -0.12 |
| Socioeconomic Generation | -0.03 | .04 | -0.58 | .564 | -0.11 | 0.06 |
| | -0.04 | .03 | -1.20 | .232 | -0.11 | 0.03 |

PANEL B

Conditional effects of ethnic (in)congruity motive toward each employee ethnicity on sense of power

| Levels of the moderator | <i>b</i> | <i>SE</i> | <i>t</i> | <i>p</i> | <i>Lower</i> | <i>Upper</i> |
|-------------------------|----------|-----------|----------|----------|--------------|--------------|
| Hispanic | .36 | .09 | 3.93 | .001 | .18 | .55 |
| White American | .13 | .11 | 1.24 | .217 | -.08 | .35 |
| African American | .01 | .08 | 0.07 | .947 | -.16 | .17 |

PANEL C

Outcome variable: Service Satisfaction (SAT)

| Model Summary | | | | | | |
|----------------------|-------------|------------|----------|------------|------------|----------|
| <i>R</i> | <i>R-sq</i> | <i>MSE</i> | <i>F</i> | <i>df1</i> | <i>df2</i> | <i>p</i> |
| .58 | .34 | 1.25 | 28.38 | 4 | 221 | .001 |

| Predictor variable | <i>b</i> | <i>SE</i> | <i>t</i> | <i>p</i> | <i>Lower</i> | <i>Upper</i> |
|--------------------|----------|-----------|----------|----------|--------------|--------------|
| Constant | 2.66 | .43 | 6.25 | .001 | 1.82 | 3.50 |
| E(ICM) | 0.23 | .05 | 4.49 | .001 | 0.13 | 0.34 |
| Sense of Power | 0.54 | .06 | 8.61 | .001 | 0.42 | 0.66 |
| Socioeconomic | .01 | .04 | 0.15 | .880 | -0.08 | 0.09 |
| Generation | .06 | .03 | 1.91 | .058 | -0.01 | 0.13 |

PANEL D

Direct effect of ethnic (in)congruity motive on service satisfaction

| | <i>b</i> | <i>SE</i> | <i>t</i> | <i>p</i> | <i>Lower</i> | <i>Upper</i> |
|--|----------|-----------|----------|----------|--------------|--------------|
| | .23 | .05 | 4.49 | .001 | .13 | .34 |

Conditional indirect effect of ethnic (in)congruity motive toward each employee ethnicity on service satisfaction

| Levels of the moderator | <i>b</i> | <i>SE</i> | | <i>Boot_Lower</i> | <i>Boot_Upper</i> |
|-------------------------|----------|-----------|--|-------------------|-------------------|
| Hispanic | .20 | .08 | | .06 | .35 |
| White American | .07 | .05 | | -.02 | .17 |
| African American | .003 | .05 | | -.09 | .10 |

Index of Moderated Mediation (difference between conditional indirect effects)

| | Index | SE | <i>Boot_Lower</i> | <i>Boot_Upper</i> |
|----|-------|-----|-------------------|-------------------|
| D1 | -.13 | .09 | -.30 | .04 |
| D2 | -.19 | .09 | -.39 | -.02 |

*Note: D1= employee ethnicity conditions comparison #1: 0= Hispanic, 1= White American; D2= employee ethnicity conditions comparison #2: 0= Hispanic, 1= African American

THEORETICAL CONTRIBUTIONS

This research contributes to the service literature in two main ways. First, it adds to the literature on ethnicity and service interactions by providing deeper insight into an antecedent of the positive effect of customer–employee ethnic congruity on customer satisfaction. While most organizations’ goal is for frontline employees to deliver quality service to all customers, meeting the culturally diverse service expectations of ethnic customers is a challenge that ethnically similar service employees are in a unique position to address due to their empathetic understanding of customers’ cultural service expectations, which often differ markedly from those of the majority population. Although prior research suggests that ethnic consumers gravitate toward retail stores that employ personnel who share their ethnicity, previous findings regarding the relationship between shared ethnicity service encounters and customer satisfaction have been mixed.

Moreover, prior studies do not account for individual differences in ethnic customers’ desire for service encounters with ethnically congruent frontline employees. Research on bicultural consumers shows that some individuals assimilate cultural cues (e.g., ethnic salesperson) in the marketplace, whereas others react against them to protect their self from the psychological threat of eroding the excluded identity (Mok and Morris, 2013). Our research is the first to introduce the “ethnic congruity motive” construct to predict differential service evaluations by customers from one ethnic group, Hispanic, toward service encounters with frontline service employees of congruent and incongruent ethnic backgrounds.

During interpersonal service interactions, customers often feel dependent upon the frontline employee for reasons such as the valued product knowledge the employee possesses or the employee’s role in facilitating financing for expensive purchases (Kirmani and Campbell, 2004). In this sense, some customers may perceive that the balance of power favors the frontline employee, which further highlights the importance of the interplay of ethnic congruity motives and front-line employee ethnicity in determining ethnic customers’ service satisfaction. Interacting with a Hispanic employee is desirable for a high ethnic congruity motive customer, resulting in a greater sense of power and service satisfaction. The same pattern emerged for service with white American service employees, with greater desire for such service resulting in greater power and satisfaction, which indicates that participants in the sample possess a bicultural Hispanic American identity in which they identify with both ethnicities. Conversely, desire for a service encounter with an African American service employee was not significantly associated with Hispanic customers’ sense of power, nor service satisfaction. Although our studies were conducted with Hispanic customers, the association between desire to receive service from an ethnically similar versus dissimilar frontline employee and sense of power experienced during the service encounter is not necessarily restricted to Hispanic customers. Many minorities ethnic customers encounter prejudicial treatment from non-minority service providers (Klinner & Walsh, 2013; Walsh, 2009), which no doubt undermines their felt power during a service encounter.

Second, this research contributes to the literature on power in service interactions. Despite the prevalent role of power in consumer experiences (Rucker *et al.*, 2012), research on the role of power in service encounters is sparse. We address this dearth of literature by demonstrating that the extent to which customers feel they can influence the service encounter outcome is significantly influenced by the extent to which they desire service from a member of a particular ethnic group, and this, in turn, significantly influences service satisfaction. Given that minorities sometimes encounter discrimination from service providers, which undercuts felt power in the service encounter, examining felt power as a consequence of the service encounter sheds further light on

Table 6. Summary of hypothesis test results per study

| | | Study 1 | Study 2 | Study 3a | Study 3b |
|----|--|--|--|--|--|
| H1 | Ethnic congruity motive → Service satisfaction | <ul style="list-style-type: none"> • Service satisfaction associated with desire for service from Hispanic service provider was greater than satisfaction associated with desire for service from non-Hispanic service providers. • H1 supported | | | |
| H2 | Sense of power → Service satisfaction | | <ul style="list-style-type: none"> • Sense of power positively affects satisfaction • H2 supported | <ul style="list-style-type: none"> • Sense of power positively affects satisfaction • H2 supported | <ul style="list-style-type: none"> • Sense of power positively affects satisfaction • H2 supported |
| H3 | Ethnic congruity motive → Sense of power | | | <p>Interaction effects: ServDes X D1: b = -.08, ns ServDes X D2: b = -.43, p < .05</p> <p>Simple effects: ServDes- Hispanic: b = .46, p < .001 ServDes-White Amer.: b = .38, p < .01 ServDes-Afr. Amer.: b = .04, p > .7</p> <ul style="list-style-type: none"> • Positive significant effect of desirability of Hispanic service encounter on sense of power is greater than desirability of non-Hispanic service encounter (African Amer employee). • H3 partially supported | <p>Interaction effects: ServDes X D1: b = -.22, ns ServDes X D2: b = -.35, p < .01</p> <p>Simple effects: ServDes- Hispanic: b = .36, p < .001 ServDes-White Amer.: b = .14, ns ServDes-Afr. Amer.: b = .002, ns</p> <ul style="list-style-type: none"> • Positive significant effect of desirability of Hispanic service encounter on sense of power is greater than desirability of non-Hispanic service encounter (African Amer employee). • H3 partially supported |

| | | | | | |
|----|---|--|--|--|---|
| H4 | Ethnic congruity motive → Sense of power → Service satisfaction | | | <p>Indices of moderated mediation D1: -.05, n.s. D2: .28, p< .05</p> <p>Indirect effects: Hispanic: .28, p < .05 White Amer.: .23, p< .05 Afr. Amer.: .02, n.s.</p> <ul style="list-style-type: none"> • Positive indirect effect of desirability of Hispanic service encounter on satisfaction through sense of power is greater than indirect effect of desirability of non-Hispanic service encounter (African Amer employee). • H4 partially supported | <p>Indices of moderated mediation D1: -.12, n.s. D2: -.19, p< .05</p> <p>Indirect effects: Hispanic: .19, p < .05 White Amer.: .07, ns Afr. Amer.: .001, n.s.</p> <ul style="list-style-type: none"> • Positive indirect effect of desirability of Hispanic service encounter on satisfaction through sense of power is greater than indirect effect of desirability of non-Hispanic service encounter (African Amer employee). H4 partially supported |
|----|---|--|--|--|---|

* Note: D1= dummy coded employee ethnicity variable 1: 0= Hispanic, 1= White American; D2= dummy coded variable 2: 0= Hispanic, 1= African American; “Amer.”= American, “Afr. Amer.”= African American;

the positive relationship between customer–employee ethnic congruity and minority customers’ service satisfaction.

Customers’ ethnic congruity motive, or desire to receive service from an ethnically similar frontline employee, may stimulate certain expectations of how much influence the customer will be able to exert over the service encounter outcome, which colors their perception of sense of power during the service encounter, which determines customer satisfaction. Interestingly, in both Studies 2a and 2b, the effect of ethnic service encounter desirability on sense of power was nonsignificant when the frontline employee was African American, which also resulted in a nonsignificant indirect effect of service encounter desirability on service satisfaction through sense of power. This may be due to uncertainty of what to expect in terms of whether the customer could or should exert influence over the service encounter outcome. Given the greater role-based power of an African American frontline employee as an expert and/or gatekeeper (Kirmani and Campbell, 2004), any lack of confidence concerning interpersonal influence abilities by a Hispanic customer detracts from the customer’s sense of power in the service encounter, which weakens service satisfaction. Furthermore, as fellow minority ethnic group members, Hispanic customers may be motivated to control prejudicial reactions toward African American frontline employees (Maddux et al., 2005). Thus, they may consciously correct for any beliefs that would bias their service encounter power expectations given that desiring an interpersonal service encounter with an African American frontline employee out of expectations of exerting power and influence over the service encounter would seem prejudicial. Correcting one’s sense of power may detract from service satisfaction given that previous research on power shows that the mismatch between one’s actual power and a sense of power might lead to a negative psychological reaction (Rucker, 2012; Rucker & Galinsky, 2008). Our studies showed Hispanic customers’ strong desire to be served by a Hispanic employee leads to greater felt power and, in turn, positive downstream consequences on behavior such as greater service satisfaction. These findings result in novel theoretical insights and extend the implication of prior research on service encounter by examining desirability of being served by ethnically similar frontline employee, and by introducing the sense of power as a novel underlying mechanism.

MANAGERIAL IMPLICATIONS

Our findings have two important managerial implications. First, the findings show that Hispanic customers’ strong desire to be served by a Hispanic employee is associated with greater felt power and, in turn, greater service satisfaction. However, a weaker desire to be served by a Hispanic employee leads to weaker felt power and lower service satisfaction. Thus, retailers and other service providers in markets with large concentrations of minority customers should segment their markets according to customer ethnic congruity motive, that is, how strongly customers want to be served by employees of their same ethnicity versus other ethnicities. The extent of retailer and service provider ethnic and/or racial matching of employees to customers in each market would be more effective were it based on the degree to which ethnic customers desire service from members of their ethnic group. Therefore, retailers should not assume that Hispanic customers desire service from Hispanic service employees. Rather, service managers should approach Hispanic customers and provide options of which service employees are available to serve the customer. For example, if there is a Hispanic (employee A) and a non-Hispanic employee (employee B) available and within the customer’s visual field, the service manager could inform the customer that employee A and employee B can serve his or her needs and point the customer toward them. Given that customers commonly rely on a variety of service employee nonverbal

cues (e.g., physical appearance, physical proximity behaviors, hand gestures) to determine shared ethnicity (Montoya & Briggs, 2013), the customer can choose the ethnically congruent or incongruent service employee based on their own ethnic congruity motive. This method avoids a potentially offensive or upsetting assumption that the customer desires an ethnically congruent service encounter. Nevertheless, it is important to emphasize that a diverse workforce requires an environment that promotes fair personnel practices and fosters integration of ethnic minorities employees (supportive diversity climate) to minimize potential decrease in performance by the employees that are part of ethnic minorities (Robinson and Dechant, 1997). Research shows that sales increase significantly, especially among ethnic sales personnel and service providers, when management effectively promotes a positive diversity climate (McKay et al. 2008).

Second, retailers and service providers should train their employees to try to increase customers' felt power during the service encounter. Certain employee cues that show that the customer is influencing the service outcome in a desirable manner (e.g., engaging in active listening, showing empathy) can help increase felt power regardless of ethnic congruity, which will positively affect service satisfaction (Comer and Drollinger, 1999). Communicating to customers that all frontline employees of a retail establishment practice cultural sensitivity in their service interactions could also encourage customers to self-correct for any implicit biases in their perceptions of how much influence they will have over service encounter outcomes with ethnic employees as seemed to take place in studies 2a and 2b, helping to create consistent service expectations across a retailer's frontline employees.

LIMITATIONS AND FUTURE RESEARCH DIRECTION

The findings should be interpreted with caution, given our study's limitations. Our three studies consist of experiments that involve responding to a travel agency scenario. Future studies should examine the extent to which our findings apply to other service contexts. Our non-student sample results are based on convenience samples drawn from US Hispanic subculture groups from around the United States which introduces certain heterogeneity into the sample (e.g., the characteristics of Hispanic culture that a Cuban customer in Miami identifies with differs from the characteristics of Hispanic culture that a Mexican customer in Arizona identifies with). Our student sample results are based on a convenience sample drawn from a largely Hispanic undergraduate student population from diverse national backgrounds, which likewise introduces heterogeneity due to different national differences in Hispanic cultural identification. Future studies should examine whether such US regional subcultural differences and national background differences in US Hispanic populations differentially impacts the roles of ethnic service encounter desirability and sense of power on service satisfaction.

Moreover, our focus on Hispanic participants limits the generalizability of our findings to other populations. Future research should examine other ethnic groups. The ethnic subculture groups in all the studies are also ethnic minorities in the United States. The experiences of non-minority ethnic groups being served by an employee of a particular ethnic background would likely differ from the experiences of minority groups in terms of felt power and service satisfaction. Future studies could compare the factors that influence non-minority customers' felt power and satisfaction in service encounters. Future research may explore our findings from employees' perspectives and examine the long-term effect of serving a particular type of ethnic customer on employees' sense of power and satisfaction.

The use of Mturk samples also presents potential limitations concerning data quality (Burnham et al. 2018; Smith et al. 2016). To minimize data quality issues, we incorporated

"attention filter" or "trap questions" within the survey which allowed us to screen out participants who failed the attention check and in turn enhanced our data quality. Further, according to Aguinis et al. (2021), one of the advantages of using MTurk is that it allows researchers to access particular demographics. Therefore, in study 1 and study 2a, we screened out participants who were not Hispanic by redirecting them to the end of the survey.

Lastly, in Studies 2a and 2b we found that the effect of Hispanic participants' desire to receive service from a Hispanic frontline employee on service satisfaction did not differ significantly from the effect of desire for a service encounter with a white American employee. We suspect that this may be due to actual and/or desired bicultural identification with both Hispanic and mainstream American culture by Hispanics in the US. Actual bicultural identification can result from customers undergoing the acculturation process and feeling comfortable identifying with both their culture of origin and the dominant US culture. Another possibility is that some consumers who are striving toward acculturation desire to identify with their Hispanic origins and dominant US culture, resulting in biased responding. In either case, acculturation is a key element of US Hispanic consumer identification with the Hispanic versus dominant American cultural group and future research should examine more closely the moderating influence of acculturation in customer satisfaction from service with ethnically congruent versus incongruent service providers.

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APPENDIX A

Compilation of study measures

| Label | Items/Rating scale | Reliability |
|---|---|---|
| Ethnic congruity motive | How desirable is it to be served by a(n) [assigned ethnicity] employee in a retail service establishment? (1=Not at all, 7=Extremely; 1= Very undesirable, 7= Very desirable) | Pearson's $r = .57$ (Study 1) Pearson's $r = .70$ (Study 2a) Pearson's $r = .97$ (Study 2b) |
| Service satisfaction | How satisfied is [customer name] with the service received at the travel agency? (1 = not at all, 7 = completely; 1 = very unsatisfied, 7 = very satisfied) | Pearson's $r = .47$ (Study 1) Pearson's $r = .63$ (Study 2a) Pearson's $r = .87$ (Study 2b) |
| Sense of power (adapted from Anderson and Galinsky 2006; Anderson et al., 2012) | [customer] got the agent to listen to what he said [customer] got the agent to do what he wanted [customer] had the power to make the decisions (1 = disagree strongly, 7 = agree strongly) | $\alpha = .76$ (Study 2a) $\alpha = .77$ (Study 2b) |
| Perceived socioeconomic status of ethnic group | Please select the number of the rung that best represents where the Hispanic ethnic group stands on the ladder in the United States. [visual scale of a ladder with 10 rungs, numbered from 1 for the top rung, consecutively to 10 for the bottom rung] | Single item measure |
| Generational status | What generation of Hispanic ethnicity are you? (1=2nd generation [I was born in the United States & both parents were born outside of the United States]; 2= 3rd generation [At least one parent and I were born in the United States]; 3= 4th generation [At least one grandparent, parent, and I were born in the United States]...6= 1st generation [I was born outside of the United States, but I live in the United States]) | Single item measure |

FRONTLINE HUMAN CAPITAL AND CONSUMER DISSATISFACTION: EVIDENCE FROM THE U.S. AIRLINE INDUSTRY

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ABSTRACT

Drawing on a decade-long panel dataset on the U.S. airline industry, we find an inverted U-shaped relationship between frontline human capital expenses and consumer dissatisfaction. As an organization's frontline human capital expenses grow, consumer dissatisfaction initially increases until a threshold is crossed, after which greater frontline human capital expenses lead to fewer subsequent consumer complaints. Our analysis also finds that when experienced frontline workers leave the organization, the results show an increase in dissatisfaction among customers. Our study also informs how changes in frontline human capital expenses are associated with changes in complementary strategies and circumstances. Specifically, we find that greater investments in frontline workers leads to fewer consumer complaints when an organization has a differentiated business model, lower advertising expenditures, and after an exogenous event that negatively affects the focal industry, such as 9/11.

INTRODUCTION

The COVID-19 pandemic has brought about the worst public health crisis in at least a century and has devastated almost every aspect of the service-oriented travel and hospitality sectors (Donthu and Gustafsson 2020). The airline industry is one of the hardest hit, with airlines forced to ground several thousand expensive airplanes, cut their flight schedules by more than half, and eliminate nearly 100,000 jobs. As one example, the crisis forced Southwest Airlines to announce plans for its first round of layoffs in the company's 49-year history. This response put more than 6,800 employees, many of them frontline workers, at risk of losing their jobs in 2021. This action comes from a company well-known for its "people-first" approach, long lauded for its strong workplace culture and engaged workforce (Forbes 2017; 2020). While such unanticipated major events limit top management's ability to avoid frontline employee layoffs and furloughs, it brings to light the value of having a more nuanced understanding of frontline human capital investment. Specifically, it highlights the value of understanding the relationship between frontline human capital investments and consumer responses to varying levels of these investments. The current research examines this relationship and how other strategic decisions influence this relationship.

Frontline human capital (FHC) has been defined as the collective knowledge, skills, and abilities of an organization's workers who provide an essential service through direct

communication and interaction with consumers (Barney and Wright 1998; Ma and Dubé 2011; Matthews et al. 2020; Singh 2000). The importance of frontline employees to a service organization is undeniable. The frontline employee is in the trenches, handling problems, overcoming obstacles, and representing the organization's brand. They are the face of the brand, and they represent the firm's values. Frontline employees have a critical impact on consumer advocacy (Celuch, Walz, and Hartman 2018) and consumer satisfaction (Saxby, Celuch, and Walz 2015), and they play a vital role in the service-profit chain (Anderson and Mittal 2000; Heskett, et al. 1994). As such, hiring and training of frontline employees is a top priority for organizations.

Hiring and training frontline employees is not an instant process - it is a never-ending learning curve. While frontline staff often need to be trained differently than other members of the organization, these employees can frequently be overlooked from a developmental perspective. They can be regarded as expenses to be controlled, rather than viewed as assets to be developed (Jackson and Sirianni 2009). Viewing frontline employees as such is a particularly prevalent approach in times of unanticipated shocks to an industry. Thus, it is imperative that scholarly research provides insights and guidance regarding the impact of frontline human capital (FHC) investments on consumer responses to service providers. The critical relationship between FHC investments and consumer dissatisfaction is an insufficiently studied topic in the literature, and it is a topic of great importance to firms in the service economy (Greer, Lusch, and Hitt 2017). This, in a nutshell, is the focus of the current research.

Drawing on the resource-based view and human capital literature (Coff 1997; 1999), this study examines the complex relationship between FHC investments and consumer dissatisfaction. The current research contributes to our knowledge by broadening our understanding of this relationship in three specific ways.

First, the resource-based view assumes "the more, the better" approach (Barney 1991; Hitt et al. 2001; Kor and Leblebici 2005; Peteraf 1993), with studies showing a direct and positive relationship between FHC and consumer satisfaction (Ma and Dubé 2011; Marinova, Ye, and Singh 2008). However, some evidence in extant research shows that resource investments exhibit diminishing returns beyond a certain threshold (Garcia-Castro and Francoeur 2016; Mishina, Pollock, and Porac 2004; Rothaermel and Boeker 2008). Unfortunately, due to the relatively weak theoretical explanations and insufficient empirical testing of non-linear relationships, some view these prior findings as inconclusive and, at times, contradictory (Haans, Pieters, and He 2016). As such, studying the relationship between FHC investments and consumer dissatisfaction provides a theoretical and empirical way to contribute to the field of research investigating this assumption that "more is better." The current research identifies an inverted-U shaped relationship between FHC investments and consumer dissatisfaction. Using airline industry data, this research finds that initial increases in frontline employee investments are associated with more consumer dissatisfaction until these investments cross a certain threshold, beyond which they start to reduce consumer dissatisfaction.

Second, this research posits human capital literature as a theoretical lens through which to understand how the management of FHC resources affects the dynamic employee-customer relationship (Barney and Wright 1998; Campbell, Coff, and Kryscynski 2012; Coff 1997; Coff and Kryscynski 2011). While resource investment is important for realizing value creation potential (Kor and Mahoney 2005; Mahoney and Pandian 1992; Sirmon and Hitt 2009), not all human capital resources are the same. Frontline employees require more job-specific training and time to develop their firm-specific and customer support skills before they start making a sufficient positive impact on consumers (Becker 1964; Cappelli 2008; Lepak and Snell 1999). The current

research builds upon this body of literature to explain the inverted-U shaped relationship between FHC investments and consumer dissatisfaction. In doing so, it provides managers a new way to understand and evaluate the impact of strategic, often difficult, FHC investment decisions.

Third, extant literature has called for more integrative research identifying contingency factors that could better explain the relationship between FHC investments and consumer perceptions and satisfaction (Srivastava, Fahey, and Christensen 2001; Tantaló and Priem 2016; Ye, Priem, and Alshwer 2012; Zollo, Minoja, and Coda 2018; Celuch, Walz, and Hartman 2018). The current research contributes to these calls by developing a contingency framework examining the moderating role of organizational factors (differentiation and advertising) and exogenous events (9/11) on consumer dissatisfaction. Empirical tests using a longitudinal sample of quarterly data from 1997 to 2006 in the U.S. airline industry confirm most hypotheses and provide implications for researchers and practitioners alike.

LITERATURE REVIEW AND HYPOTHESES

An organization's FHC plays an important customer-facing role. Investing in and developing a firm's frontline capability (Coff 1997; Dierickx and Cool 1989) is critical to ensuring that these employees deliver quality service (Bapna et al. 2013; Rynes, Gerhart, and Minette 2004), thus positively impacting consumers' perception and satisfaction with the firm (Liao and Chuang 2004; Parasuraman, Zeithaml, and Berry 1985). With proper investments in training and career growth, frontline employees have shown to be adept in transforming and updating a firm's knowledge and improving productivity and service quality, thereby positively impacting consumer satisfaction (McGregor and Doshi, 2018; Saxby et al. 2015; Ye, Marinova, and Singh 2012). Further, research shows that a frontline worker's authenticity and perceived effort leads to trust and satisfaction among consumers, leading to a virtuous cycle (Matthews et al. 2020; Mohr and Bitner 1995). Such findings reiterate the critical nature of FHC investments, development, and growth.

An organization's FHC typically comprises both inexperienced and experienced workers. Inexperienced workers learn their tasks through a combination of firm-sponsored training programs and on-the-job training. A firm spends time and resources on these less experienced employees to develop their general skills as well as firm-specific skills (Becker 1964). Thus, while inexperienced frontline employees tend to make mistakes during the initial phase of their employment, they learn and develop over time, becoming more valuable (Bidwell and Briscoe 2010; Chattopadhyay and Choudhury 2017). As such, consistent and ongoing internal training is considered a necessity to develop firm-specific human capital, despite the associated costs. To balance these costs, firms tend to compensate inexperienced workers with limited skills at a market discount during the employee's initial years (Schultz 1961; Cappelli 2008).

Inexperienced frontline employees can also bring in novelty, enthusiasm, and a strong desire to succeed (Rynes, Orlitzky, and Bretz 1997). Although they may not be capable of addressing root causes of consumer complaints or chronic issues initially, this enthusiasm along with firm-specific and on-the-job training helps them learn to perform roles within the organizational system and helps them build their professional capacity. As employees gain tenure, they are more likely to learn how to work within and improve service systems (Bower and Hilgard 1981; Grant 1996), becoming more effective and capable of generating a positive impact (Shaw and Lazear 2008). However, until that point is reached, they are likely limited in their capacity to reduce consumer dissatisfaction.

A more experienced and tenured frontline workforce will command higher wages as well as bring about higher value to the organization and its consumers. This is particularly true if a firm brings in experienced frontline workers from the outside. Often, market trends and industry practices dictate that if an organization attracts lateral workers, it does so with much higher salaries than if it develops workers internally to the same experience level (Bidwell 2011; DeVaro, Kauhanen, and Valmari 2019; Hong 2020; Marinova et al. 2008). This apparent disparity in wages among workers with similar experience (Cappelli 2008; Campbell et al. 2012) could potentially lead to a lack of motivation, dissatisfaction, and turnover among internally developed employees, which, in turn, might quickly manifest in consumer dissatisfaction (Brown and Peterson 1993). Further, given the premium that firms in the service sector attach to firm-specific norms, culture, and experience, hiring from the outside a more educated and/or a more qualified frontline workforce does not necessarily reduce the need for human capital investments in training and development. This line of argument further reiterates the need for initial and ongoing investments in frontline human capital in terms of hiring, training, and career development prior to a firm being able to recognize positive employee performance and reap the benefits of such investments in the form of a reduction in consumer dissatisfaction and complaints. This leads us to hypothesize that:

H1: *Organizational investments in frontline human capital (FHC) exhibit an inverted U-Shaped relationship with consumer dissatisfaction (complaints). In other words, consumer dissatisfaction (complaints) increases with increases in frontline employee investments till the investments reach a threshold (employee experience threshold), beyond which increases in FHC investments result in a decrease in consumer dissatisfaction (complaints).*

An organization's FHC resources may differentially impact customers depending on complementary strategies that surround that resource (Kor and Mahoney 2005; Mannor, Shamsie, and Conlon 2016; Riley, Michael, and Mahoney 2017; Vomberg, Homburg, and Bornemann 2015). In the next sections, we explain two such strategies which can act as moderators. First, we consider an organization's business model, which illustrates how an organization creates, delivers, and captures value. Second, we consider advertising investments, which represent brand-specific expectations and evaluations influenced through advertisements. Finally, we examine a third moderator to show how an exogenous jolt to the industry can moderate the relationship between FHC investments and consumer dissatisfaction through its impact on consumers' evaluations and frontline employees' work.

Business Models

A firm's business model is defined as how a firm interacts with consumers based on their product market (Zott and Amit 2008). Two typical business model strategies are a cost leadership strategy and a differentiation strategy (Mittal, Anderson, Seyrak, and Tadikamala 2005). Cost leadership business models are designed to provide basic services that other firms provide but in a more cost-effective way, focusing on transaction efficiency through reliability and simplicity (Porter 1985). In contrast, a differentiation business model is designed to provide augmented service offerings, reaching beyond the basic service elements that might be expected in an industry by seeking new ways to connect and conduct economic exchanges with consumers (Anderson, Fornell, and Rust 1997; Rust, Moorman, and Dickson 2002). Additionally, a differentiation business model likely requires greater breadth, variety, and complexity of resources than a cost-

leadership business model. Essentially, business models provide a system for how to deploy resources to enable transactions with consumers (Schmidt, Makadok, and Keil 2016; Zott and Amit 2008).

Firms adopting a differentiation model typically have higher resource investments to deliver value for the target consumer segment. In a service context, a firm's human capital resources are closely connected to their ability to consistently deliver the quality of service which consumers expect. If the firm is pursuing a differentiation business model, it will typically have broader and more complex operating activities designed to best accommodate consumer preferences (Fornell 1992). Thus, enhanced skills are needed by employees, and complementary resources and equipment are provided to deal with idiosyncratic situations and making quick decisions. Further, creating customized service for consumers requires employees to ascertain varying consumer needs, decide on the procedures required to fulfill those specific needs, and finally choose the most appropriate path to create and deliver those needs (Shostack 1987; Tansik 1990). Such service customization requirements will be positively related to human capital investments (Skaggs and Youndt 2004).

In the airline industry, it is crucial to distinguish between full-service legacy carriers and low-cost carriers, since ignoring the competitive effects between these two carrier types can lead to overestimation of service reliability levels (Zhou, Albuquerque, and Grewal 2021). Unlike low-cost carriers, legacy carriers can extract more economic rents from customers who have a higher willingness-to-pay (Baker 2013), attributed, for example, to elaborate loyalty and customer service programs that necessitates extra employees to provide more personalized service.

For firms pursuing a cost-oriented business model, customers may perceive that they are required to expend some effort on their own as part of the co-production process (Bendapudi and Leone 2003; Mills and Morris 1986; Skaggs and Youndt 2004). For an airline, this reduces the breadth of potential demands customers may impose on the firm (Skaggs and Youndt 2004). For example, Southwest Airlines was amongst the first low-cost carriers to position themselves in a manner that requires customer effort (e.g., customers must book on their website since the airline lacked an integrated reservation system with other airlines, and on-flight there are no assigned seats so customers must decide on an available seat while boarded on the aircraft). This effort is an indirect cost passed on to consumers. In cost-oriented business models, less tenured employees or fewer employees may be sufficiently able to deliver expected services. Additionally, customer expectations and perceptions of service quality may be lower given the lower ticket prices for essential services (Hartline and Ferrell 1996; Maxham and Netemeyer 2003). This leads us to hypothesize that:

H2: *The inverted U-shaped relationship between frontline human capital investment and consumer dissatisfaction is more pronounced in firms adopting a differentiation-oriented business model as compared to firms adopting a low-cost business model.*

Marketing Resources

The use of marketing resources can lead to superior consumer satisfaction, improved customer retention, and stronger brand loyalty (Hanssens, Rust, and Srivastava 2009; O'Sullivan and Abela 2007; Srivastava et al. 2001). Extant research has shown that advertising is an important signal of a firm's marketing capabilities (Joshi and Hanssens 2010; Kim and McAlister 2011) because it exerts a positive influence on a consumer's thoughts, feelings, knowledge, and behavior

about the firm's brand (O'Sullivan and Abela 2007). This, in turn, enhances the consumer's loyalty as well as its expectations of the quality of the brand at the time of interaction (McAlister, Srinivasan, and Kim 2007; Mehta, Chen, and Narasimhan 2008; Parasuraman et al. 1985).

Frontline human capital play an important role in marketing (Moorman and Day 2016). For example, frontline employees are typically responsible for providing a positive customer experience through aligning with and exceeding consumer expectations about the authenticity of the firm's brand (Morhart, Herzog, and Tomczak 2009; Sirianni et al. 2013). As such, firms should recruit, select, train, and (financially) motivate these frontline workers to perform their customer service roles in a manner that showcases the firm's brand personality (Sirianni et al. 2013). It is also important for frontline employees to be equipped to demonstrate the benevolence and competence consumers expect (Celuch et al 2018). In this sense, human capital resources may also be considered a type of marketing capability in which human capital is responsible for managing the consumer relationship and experience (Hartline Maxham, and McKee 2000; Kamakura et al. 2002).

Following this logic, firms that invest in both advertising and human capital can create a positive interactive effect on consumers (Vomberg et al. 2015). Advertising sets up the positive expectation of the brand, frontline workers identify with and support the brand promise, and this leads to supportive attitudes and motivates frontline workers who not only meet but exceed the firm's service goals (Vomberg et al. 2015). For example, in the airline context, Lufthansa's advertising campaign in India, "More Indian than you think," sets up an expectation of friendliness and hospitality by the flight attendants and frontline employees at the check-in counter. When that expectation is confirmed by the consumer's experience and the frontline worker's effort, it results in an increase in consumer satisfaction. The challenge for frontline workers is to meet both the consumer's and the brand's perceived expectations by providing excellent customer services as described in the advertisements. Thus, we predict that as firms invest more in advertising, FHC investments will reach the threshold for reducing consumer complaints sooner. This leads us to hypothesize that:

H3: *Investments in advertising positively moderates the inverted U-shaped frontline human capital investment-consumer dissatisfaction relationship, such that, firms that invest more in advertising are more likely to reduce consumer dissatisfaction sooner (i.e., will reach the experience threshold earlier) with an increase in frontline human capital investments.*

Exogenous Shock

We argue that exogenous events that negatively impact an industry will positively moderate the inverted U-shaped relationship that we hypothesize. In this study, 9/11 is considered the exogenous event that had a major negative impact on the airline travel industry. After 9/11, the US government federalized security screening services in all US airports, placing the Transportation Security Administration (TSA) in charge of passenger screening operations. This was done to instill greater trust in the safety of air travel and to subsequently limit the expected drop in overall demand for air travel (Ito and Lee 2005). While this change improved security practices, it also added costs to consumers in the form of greater inconvenience. Studies about this change indicate consumer willingness to accept the added cost in exchange for feeling more secure (Klenka 2019). This points to overall higher prioritization for safety relative to other service factors

following 9/11, thus reducing the relative priority of other expected service factors and suppressing the rate of consumer complaints in other airline service areas post 9/11.

Attribution theory (Folkes 1988) helps to further explain how the additional focus on safety and the TSA takeover of screening post 9/11 causes this exogenous event to moderate the inverted U-shaped relationship under investigation. According to attribution theory, how consumers ascribe the cause of a service failure can influence the consequences they pursue (Folkes 1988). The link between perceived causes and consequences can vary based on locus, who should solve a problem, whether the event was controllable by the firm, who has control over an outcome, and how permanent the cause of a problem is (Folkes 1988). Following 9/11, consumers see a much greater role of the TSA in their travel experience and experience related changes to checking in and handling of bags. We posit that, in the years following 9/11, consumers are more likely to ascribe some problems as being out of the control of the airline or of a specific frontline employee. Consumers may also increasingly believe that airlines and their employees, alone, are not able to solve many of problems that occur. Research in other areas indicates the less consumers deem a failure to be the fault of the service provider, the less they feel that they deserve a recovery (Harris, Mohr, and Bernhardt 2006), and this may reduce their frequency of complaining. As such, the way in which an exogenous event impacts consumers' perception of frontline employees' control and culpability of problems is one factor moderating the relationship between investments in frontline human capital and consumer complaining behavior.

Additionally, an exogenous event can drastically and rapidly change frontline employees' jobs. For example, in a 2001 letter to shareholders, Southwest Airlines reported that new FAA and DOT security directives profoundly changed processes related to customers, luggage, and airplanes, compelling "probably 1,000,000 airline employees to learn, and apply, new security procedures on a daily and, sometimes, hourly basis" (Southwest Airlines Co. 2002, p. 2). This exemplifies how exogenous events can directly impact frontline employees' job complexity and require greater communications and investments from organizations to clarify expectations and to train employees. We argue that firms with greater investments in frontline workers will be more effective in reducing customer complaints in times of tumultuous exogenous events because the investments support maintaining experienced frontline employees and supporting needed training during times of change. This expectation follows from extant research supporting the positive impact explicit communications and training have on frontline employee service behavior (Lings, Beatson, and Gudergan 2008). This leads us to hypothesize that:

H4: *An exogenous event, such as 9/11, that negatively impacts an industry will positively moderate the inverted U-shaped human capital investment-consumer dissatisfaction relationship such that, continued investment in frontline human capital will result in earlier benefits in addressing consumer dissatisfaction.*

DATA AND RESEARCH METHODOLOGY

We use a longitudinal dataset from the airline industry to study the impact of frontline human capital investments on consumer dissatisfaction. The airline industry has been commonly used to study customer behavior and satisfaction levels since it is often characterized by low consumer loyalty, low switching costs, and frequent service failures (Lapr e and Tsikriktsis 2006; Luo, 2007; Mellat-Parast et al. 2015). The airline industry is also characterized by low barriers to entry, high price competition and rivalry, high bargaining power of duopoly suppliers like Boeing and Airbus, and a high number of transportation substitutes leading the industry to be highly

unattractive (Porter, 1985). Providing exceptional customer service is critical not only to gain customers, but more importantly, to not lose customers to rivals or substitutes.

Airline service providers typically have multiple points of contact and face-to-face interactions with passengers, from booking a ticket to interacting in the airport and on the flight. If passengers have a bad experience in any of these interactions, it could lead to the permanent loss of future business from that passenger. Passengers can face increasing levels of dissatisfaction if an airline fails to invest in sufficient staffing, training, and support for their consumer service personnel, making the airline industry a suitable and appropriate context for this research.

Sample

We collected airline data from the U.S. Department of Transportation (DOT), COMPUSTAT, and the Center for Research in Security Prices (CRSP) to develop our database. Large air carriers are legally mandated to provide a detailed quarterly report of their financial and operating data to the Bureau of Transportation Statistics (BTS), a division of the DOT. These large airlines report expenditures by specific categories, such as the functional role of employees. This allows us to separate salaries and expenses for frontline employees, our key variable of interest, from those of other human capital resources such as pilots, engineers, and executives. We can also specifically capture advertising and promotion expenditures directed towards passengers and reservations distinct from those targeted towards cargo revenue.

Airlines are designated as large if they have total operating revenues of at least \$1B, they represent at least 1% of the total domestic scheduled-service passenger revenues, and they operate aircraft with a passenger capacity of more than sixty seats. The airlines

¹ in our sample are Alaska Airlines, America West Airlines, American Airlines, Continental Airlines, Delta Air Lines, JetBlue Airways, Northwest Airlines, Southwest Airlines, Trans World Airlines (TWA), United Airlines, and US Airways. While some airlines have some international exposure, we only study the domestic operations of the airlines. Collectively, the eleven U.S. airlines in our sample account for over 95% of total industry revenues during the period of this study.

Two airline mergers were observed in our sample. America West merged with U.S. Airways in the third quarter of 2005, and TWA merged with American Airlines in the first quarter of 2002. The resulting merged firms were coded as a new firm to control for organization size and culture changes that typically follow large mergers or acquisitions. Our final sample consisted of 13 firms and 312 airline-quarter observations from 1997 to 2006.

Operationalization of Constructs

Consumer Complaints. To capture consumer dissatisfaction, we use the aggregate rate of actual third-party complaints per 100,000 passengers in a quarter. Dissatisfaction and complaining behavior are distinct but closely related constructs. In simple terms, a consumer is dissatisfied when they are unhappy about one or more aspects of the service or when service expectations are not met. Consumer dissatisfaction can lead to a private response, such as boycotting the service provider in the future, or vocal responses, such as complaining to the focal organization, to friends or other customers, or to a third party (Singh and Wilkes 1996). Sing and Wilkes (1996) find that consumers are more likely to engage in third party complaining when experiencing a higher intensity of dissatisfaction and when the service problem is of greater consequence. Following this

¹ Due to its relatively smaller size, JetBlue did not enter our sample until the 2nd quarter of 2005.

line of reasoning, we posit that third party consumer complaints, such as those in our data set, represent occurrences of high degrees of dissatisfaction. As such, it is plausible that they underestimate the total instances of consumer dissatisfaction for each airline. The passenger complaints in this data set are registered with the Air Traffic Consumer Report (ATCR), published monthly by the DOT, and are used in extant research (Lapr e and Tsikriktsis 2006; Luo 2007; Singh 1988). Complaints in this data set cover a broad range of potential service failures, including flight cancellations or delays, oversold flights, ticketing or reservation issues, problems obtaining refunds for lost tickets, missing claims for lost or delayed baggage, customer service problems such as treatment of passengers and civil rights offenses, misleading advertising, and frequent flyer problems.

Frontline Worker Salary Expenses. We calculate frontline human capital investments by capturing the expenses of employees who are directly in contact or responsible for serving passengers. The frontline employees included in this variable are flight attendants, ticket counter and gate personnel, reservation and ticketing personnel, baggage handling personnel, and consumer service managers. The expenses of these workers include compensation, training, and tools necessary to allow employees to perform their jobs. This variable excludes expenses for non-frontline employees, such as transportation and operations personnel, which includes engineers, plane maintenance crews, and executives. While pilots have overall control of the plane and responsibility for passengers, they were not considered part of frontline human capital since they typically have low direct interaction with passengers, typically delegating responsibilities to others.

Differentiated Business Model. The Bureau of Transportation Statistics defines airline business models as being regional, low-cost, or legacy. We operationalize the business model variable as cost-oriented if the airline is classified by the Bureau as low-cost (variable equals zero) and as differentiated if the airline is classified as legacy by the Bureau (variable equal 1). America West, JetBlue, and Southwest represent efficiency-driven business models targeting low-cost product markets. The other eight airlines in our sample represent novelty-driven legacy business models because they offer more services. Legacy business models are, by nature, more complex to operate given their heterogeneity of routes, serving both long and short segments, and consequently, their greater variety of aircraft models¹ (Haunschild and Sullivan 2002). Legacy carriers are also characterized by union wages and an older workforce compared to low-cost carriers.

Advertising Expenses. The DOT federally mandates that airlines report advertising and publicity expenditures that are directly assignable to passengers. According to the DOT guidelines, this measure accounts only for expenses incurred in creating public preference for the air carrier and its services. The measure includes the costs of, for example, radio and print advertisements but does not include expenses such as sales solicitation assignable to cargo transportation. From our measure, we capture advertising and promotions directed towards consumers that have the potential to increase future business, and therefore these expenses are investments by the firm.

Post-9/11 Dummy. We include variable for the tragic events of September 11, 2001, in which the variable equals one starting the third quarter of 2001 till the end of the sample. Given the COVID-19 crises, we want to draw similarities to previous events and their impact on airline travel and consumer dissatisfaction. Due to the 9/11 shock, there was a significant drop in consumer complaints for several years following this tragic event.

¹ In our sample, legacy carriers had more than seven aircraft models, whereas low-cost carriers had six or fewer, except for Alaska Airlines.

Control Variables. We include both year dummies to control for year-specific events and quarter dummies to control for seasonal differences, such as crowded holiday and summer vacation travel. We also control for several variables that can influence consumer complaints. First, we include the Number of Frontline Workers to capture firm size and define this as the annual count of full-time flight attendants, ground and ramp personnel, and others. The greater number of these workers, the more they can work towards tending to passengers and reducing potential complaints. While we control for the number of frontline workers, our analysis focuses on how investments in frontline human capital relate to consumer complaints.

Some of the airlines in our sample, such as Delta, Northwest, United, and US Air, filed for Chapter 11 bankruptcy, mostly in the last four years of our sample. The quality of their service may be different around this time (Phillips and Sertsios 2013). As such, a Bankruptcy Dummy captures the two quarters before, time during, and two quarters after the airline is under bankruptcy. We also control for Operating Expenses of an airline, defined as the total expenses incurred in the performance of air transportation, such as traffic, transport, sales, and servicing. Revenue passenger miles, an industry metric that shows the number of miles travelled by paying passengers, is highly correlated with operating expenses (0.9), but the results are similar with either of the variables. We separately control for Fuel Expenses since these changed dramatically during this time-period for all flights and aircraft types in domestic operations. Consumer complaints can also be impacted by Ticket Prices, calculated as the average fare price per quarter, and On Time Performance, calculated as a percentage of flights arriving on time per quarter. Finally, we include a control for the annual Number of Trainers for attendants, engineers, pilots, reservations, sales, stewards, and ticketing, since the more the trainers, the less potential for complaints. Please see Table 1 for a summary of the variables, measures, and sources, and Table 2 for the raw descriptive statistics (means and standard deviation) and correlations between the variables.

Model Specification and Estimation

Our small sample of thirteen airlines consists of correlated longitudinal data, where each airline accounts for multiple airline-quarter observations. Our analysis is within-firm, but correlations must be controlled in order to obtain unbiased coefficient estimates (Ballinger 2004). In Table 2, we see that there is high correlation between frontline worker salaries, our core independent variable, and other control variables such as frontline worker count, operating expenses, and fuel expenses. Therefore, as suggested by Echambadi, Campbell, and Agarwal (2006), we used mixed models to control for the correlations in the model with the following specification:

$$Y_{i,t} = \beta X_{i,t} + b_i Z_i + \epsilon_{i,t}, \text{ where } b_i \sim Nq(0, \Psi) \text{ and } \epsilon_{i,j} \sim NN(0, \sigma^2 \Lambda_{i,t}).$$

$Y_{i,t}$ represents the dependent variable of airline i for quarter t . $X_{i,t}$ is the $N \times p$ model matrix corresponding to the fixed effects, and β is the $p \times 1$ vector of fixed-effect coefficients. Z_i is the $N \times q$ model matrix that represents the airline-specific heterogeneity using a random effects specification. $\epsilon_{i,t}$ is the $N \times 1$ vector of errors for each observation. Ψ represents the $q \times q$ unstructured covariance matrix for the airline random effects. The intercept could vary across airlines. Finally, $\sigma^2 \Lambda_{i,t}$ is the $N \times N$ covariance matrix for the errors. We estimate these mixed effect models using restricted maximum likelihood estimation method. Given the skewed raw values of the continuous variables, we employ a log-log functional form for a non-binary variable, and to reduce endogeneity concerns, we lag all the explanatory variables by one quarter.

Table 1
Variables, measures, and sources

| Variables | Measure | Source |
|----------------------------------|--|--------------------|
| <u>Dependent Variable</u> | | |
| Consumer Complaints | Consumer complaints registered per 100,000 passengers flown, such as flight problems, oversales, reservations, customer service, and baggage service | DOT (ATCR) |
| <u>Independent Variable</u> | | |
| Frontline Worker Salary Expenses | Compensation and other expenses of flight attendants, ground and ramp personnel, ticketing, baggage handlers, and salespeople who are directly responsible for consumers | DOT (P6, Form 41) |
| <u>Moderator Variables</u> | | |
| Differentiated Business | Binary variable with differentiated/legacy carrier (=1) and cost-oriented/low-cost carrier (=0) | DOT (RITA) |
| Advertising Expenses | Expenses incurred in creating public preference for the air carrier and its services directly assignable to passengers | DOT (P7, Form 41) |
| 9/11 Dummy | Binary variable with pre-9/11 (=0) and post-9/11 (=1) which starts in the third quarter of 2001 | |
| <u>Control Variables</u> | | |
| Number of Frontline Workers | Annual count of full-time frontline workers, such as flight attendants, ground and ramp personnel, and others | DOT (P10, Form 41) |
| Bankruptcy Dummy | Equals one for the two quarters before, time during, and two quarters after an airline is in bankruptcy | CRSP |
| Operating Expenses | Expenses incurred in the performance of air transportation, such as traffic, transport, sales, servicing, etc. | DOT (P52, Form 41) |
| Fuel Expenses | Expenses for fuel across all flights and aircraft types in domestic operations | DOT (P52, Form 41) |
| Ticket Price | Average itinerary price per airline-quarter calculated as sum of itinerary fares divided by count of tickets from segments | DOT (DB1B) |
| On Time Performance | Percentage of overall flights arriving on time per airline for a given quarter | DOT (Table 1A) |
| Number of Trainers | Annual count of trainers for attendants, engineers, pilots, reservations, sales, stewards, and ticketing | DOT (P10, Form 41) |
| Fixed Effects | Dummy variables for quarter, years, and airlines | |

All non-binary variables are transformed into logarithm prior to inclusion in the empirical models.

Table 2

Descriptive statistics and bivariate correlations

| Variables | M | SD | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
|--------------------------------------|----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|
| (1) Consumer Complaints | 0.156 | 0.801 | | | | | | | | | | | |
| (2) Frontline Salary Expenses | 12.473 | 0.839 | 0.02 | | | | | | | | | | |
| (3) Differentiated Business | 0.795 | 0.404 | 0.39 | 0.40 | | | | | | | | | |
| (4) Advertising Expenses | 9.306 | 1.195 | -0.23 | 0.58 | 0.04 | | | | | | | | |
| (5) 9/11 Dummy | 0.519 | 0.500 | -0.50 | 0.05 | -0.06 | 0.03 | | | | | | | |
| (6) Frontline Workers | 9.757 | 0.722 | 0.05 | 0.93 | 0.35 | 0.54 | -0.01 | | | | | | |
| (7) Bankruptcy Dummy | 0.122 | 0.328 | -0.05 | 0.11 | 0.20 | 0.05 | 0.36 | 0.12 | | | | | |
| (8) Operating Expenses | 14.191 | 0.706 | 0.10 | 0.95 | 0.42 | 0.55 | 0.14 | 0.91 | 0.24 | | | | |
| (9) Fuel Expenses | 12.155 | 0.742 | -0.10 | 0.81 | 0.23 | 0.52 | 0.33 | 0.78 | 0.27 | 0.89 | | | |
| (10) Ticket Price | 5.967 | 0.215 | 0.58 | 0.40 | 0.74 | 0.03 | -0.11 | 0.42 | 0.09 | 0.49 | 0.34 | | |
| (11) On Time Performance | 4.344 | 0.074 | -0.39 | 0.23 | -0.07 | 0.05 | 0.33 | 0.23 | 0.13 | 0.19 | 0.15 | -0.15 | |
| (12) Number of Trainers | 5.218 | 0.902 | 0.33 | 0.54 | 0.55 | 0.08 | 0.05 | 0.46 | 0.12 | 0.59 | 0.44 | 0.53 | 0.07 |

RESULTS

Table 3 shows the results of frontline worker salaries and expenses on consumer complaints. Column 1 includes the control variables, in which we see that an airline has fewer passenger complaints when they increase their employment of frontline workers and have better on time arrival performance. The direct effect of our 9/11 dummy variable shows that post-9/11, passengers were less likely to formally complain about a U.S. airline, consistent with the positive sentiment towards airlines after the tragic event. Finally, airlines with a differentiated business model were more likely to register passenger complaints, likely due to the shortfall in service expectations compared to low-cost airlines.

Hypothesis 1 proposes an inverted U-shaped relationship between frontline employee investments and consumer complaints, and we find support for this relationship in Column 2. Next, we test our moderated non-linear relationships. Interpretation of these moderated relationships can be challenging since it depends on the statistical significance of the additive effect for the coefficients of frontline salaries, its square term, and the interaction of these expenses with the moderator and the square term. Thus, we graph our moderated interactions in order to better interpret our findings. Hypothesis 2 posits that greater employee investments matter more for airlines with a differentiated business model, and we find support for this relationship in Column 3. In the first graph under Figure 1, we find that the differentiated business model dotted line has the relatively same inverted-U shaped relationship, but that the turning point occurs sooner compared to the main effect.

Hypothesis 3 predicts that consumer dissatisfaction will be lower from the multiplicative effect of frontline and advertising expenses, but we find support for the opposite claim (see Column 4 in Table 3). In the second graph of Figure 1, we see the multiplicative effect follows for low advertising and high frontline salaries in that the turning point is sooner. Although organizations that have high (versus low) advertising costs register fewer complaints, any additional frontline salaries do not provide any additional benefit to further reducing passenger complaints. Essentially, we find evidence that these two variables are substitutive in their effect on consumer dissatisfaction.

Finally, Hypothesis 4 predicts that organizations that invest more in their workers post-9/11 will see greater benefits for their consumers. We find statistical support in Column 5. The final graph in Figure 2 shows that while there are generally fewer customer complaints post 9/11, i.e., the solid line has shifted down, greater frontline expenses lead to fewer complaints than pre-9/11, illustrated by the more steeply decreasing solid line after the turning point. Various robustness checks indicate that our model specification is valid, and our findings are consistent. Column 1 in Table 4 shows a full model, and we see that the magnitude of the coefficients and statistical significance are relatively stable ($p < 0.01$). Earlier, we mentioned collinearity between our core independent variables and three other control variables. Although these are necessary to model consumer complaints, we exclude these three highly correlated variables and subsequently found no other collinearity problems after using multiple diagnostics, including variance inflation factors and the condition indices. Further, we ran a model without controls, and our results remain largely the same (see Column 2 in Table 4). We also randomly sampled observations and estimated multiple models from the comprehensive dataset, and the coefficients among different specifications were relatively stable.

Table 3
Mixed-effects estimates for drivers of consumer complaints

| | (1) Controls | (2) Hyp. 1 | (3) Hyp. 2 | (4) Hyp. 3 | (5) Hyp. 4 |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|
| Frontline Salary Expenses | | 6.068** (0.002) | -0.577 (0.867) | 36.74*** (0.000) | 4.946* (0.012) |
| Frontline Salary Expenses Squared | | -0.243** (0.002) | 0.0424 (0.763) | -1.546*** (0.000) | -0.201** (0.010) |
| Frontline Salary X Differentiated | | | 10.26* (0.023) | | |
| Frontline Salary Sqr. X Differentiated | | | -0.435* (0.018) | | |
| Frontline Salary X Advertising | | | | -3.165** (0.005) | |
| Frontline Salary Sqr. X Advertising | | | | 0.134** (0.004) | |
| Frontline Salary X 9/11 | | | | | 4.551** (0.003) |
| Frontline Salary Sqr. X 9/11 | | | | | -0.186** (0.004) |
| Differentiated Business Model | 1.301** (0.002) | 1.143* (0.013) | -59.14* (0.033) | 1.223** (0.009) | 1.126* (0.013) |
| Advertising Expenses | 0.020 (0.351) | 0.019 (0.367) | 0.017 (0.422) | 18.51** (0.007) | 0.019 (0.346) |
| 9/11 Dummy | -0.315*** (0.001) | -0.337*** (0.000) | -0.370*** (0.000) | -0.361*** (0.000) | -28.03** (0.003) |
| Number of Frontline Workers | -0.237* (0.010) | -0.229* (0.013) | -0.249** (0.006) | -0.158† (0.089) | -0.218* (0.016) |
| Bankruptcy Dummy | -0.017 (0.795) | -0.061 (0.376) | -0.091 (0.185) | -0.097 (0.153) | -0.130† (0.064) |
| Operating Expenses | -0.151 (0.413) | -0.109 (0.618) | -0.056 (0.800) | -0.169 (0.434) | -0.032 (0.882) |
| Fuel Expenses | -0.173 (0.152) | -0.263* (0.032) | -0.236† (0.051) | -0.268* (0.025) | -0.191 (0.120) |
| Ticket Price | -0.262 (0.189) | -0.177 (0.391) | -0.417† (0.055) | -0.335 (0.107) | -0.241 (0.256) |
| On Time Performance | -0.862*** (0.000) | -0.896*** (0.000) | -0.935*** (0.000) | -0.822*** (0.000) | -0.720** (0.003) |
| Number of Trainers | 0.051 (0.104) | 0.016 (0.623) | -0.026 (0.467) | -0.005 (0.887) | 0.035 (0.292) |
| Constant | 10.01*** (0.000) | -27.37* (0.023) | 12.13 (0.569) | -205.6** (0.001) | -22.34† (0.067) |

Table 3 (continued)

Mixed-effects estimates for drivers of consumer complaints

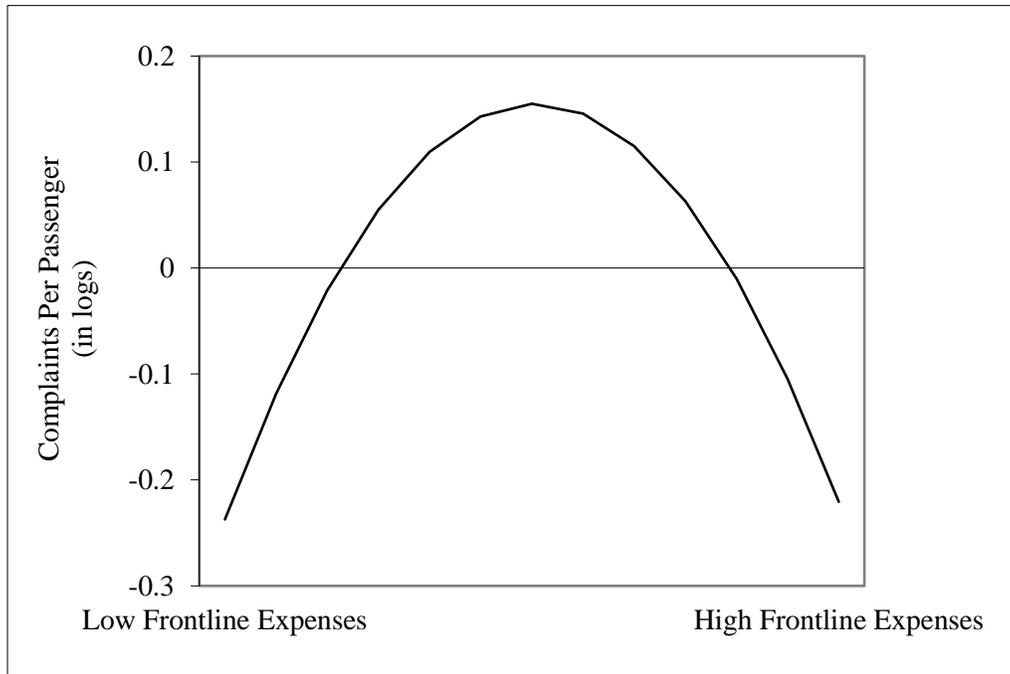
| | | | | | |
|------------------------------|-------|-------|-------|-------|-------|
| Firm Dummies | YES | YES | YES | YES | YES |
| Year Dummies | YES | YES | YES | YES | YES |
| Quarter Dummies | YES | YES | YES | YES | YES |
| Observations | 312 | 312 | 312 | 312 | 312 |
| Firms (No. of Airlines) | 13 | 13 | 13 | 13 | 13 |
| Akaike Information Criterion | 128.7 | 128.1 | 125.5 | 128.0 | 128.5 |

Exact p-values in parentheses.

† p<0.10, * p<0.05, ** p<0.01, *** p<0.001

Figure 1

Main effect of frontline salary expenses on passenger complaint rate



Note: Low and high values are 1.5 standard deviations above and below the mean values

The Hausman (1978) test shows that random effects are the preferred specification since the coefficients are not statistically different from fixed effects. As another check, in Column 3, we show results from airline fixed effects with OLS in which the model is a significantly better fit given the low AIC value, and the direction and magnitude of the coefficients are relatively similar. The differentiated business model dummy variable drops because its effects are included in the

variables in which the business model interacts and our airline fixed effects. For our last check, we manipulate the dependent variable measured as complaint count normalized by the number of passengers. Instead, we use the raw count of complaints as the dependent variable and control for passenger size. We employ a Poisson mixed effect model with the same variables as before, and our results are slightly stronger and in the same direction. Together, these alternative models provide added support and consistency for our original findings.

DISCUSSION

This research provides a strategic perspective on consumer dissatisfaction and complaint management. In doing so, it also advances the Resource Based View (RBV) of the firm by identifying and theoretically explaining the non-linear relationship between frontline human capital investments and consumer dissatisfaction. This research finds frontline human capital investments do not start to address consumer complaints until they cross a certain threshold. It also finds that differentiated-oriented organizations can benefit from increases in frontline employee investments, sooner. The results indicate that cost-oriented firms may be able to control costs by maintaining lower frontline worker investments, since increased investments do not appear to reduce consumer complaints for these firms in this sample. Contrary to our hypothesized relationship, we find advertising and human capital investments do not necessarily interact, and we attempt to explain this counterintuitive finding later in our discussion. This research also provides evidence of how exogenous events can influence customer complaining behavior in an industry and a way to think about the strategic use of frontline human capital in light of such changes.

The inverted U-shaped relationship between FHC and consumer dissatisfaction has practical implications for organizations. From a strategic planning perspective, it highlights the value of investing in mentorship and training programs to help junior workers advance and balancing these investments with those aimed at maintaining senior workers. As overall investments in frontline employees increase, the organization may not see an immediate decrease in consumer dissatisfaction. However, managers should be encouraged to continue investments in frontline worker retention and development to reach the necessary threshold level which reduces consumer dissatisfaction. Similarly, if an organization's FHC investments are beyond the necessary threshold and it decides to cut costs by reducing investments in frontline workers, our model helps them anticipate the impact of the decision. Specifically, the organization should be mindful of the fact that cutting costs may create a situation where they slide back below the threshold investment level. If this occurs, reinvesting in these resources in the future may not initially result in lower levels of consumer dissatisfaction until level of reinvestment crosses the threshold again.

In addition to monitoring overall FHC investments, such as is investigated, here, a firm's initial onboarding process for FHC can also help address future customer consumer complaint behavior. Management literature highlights how newcomers display heterogeneous socialization experiences and adjustment behavior (Solinger, Van Olffen, Roe, and Hofmans 2013), emphasizing the need for firms to incorporate individual identity socialization and self-authentication within the organizational onboarding process (Cable, Gino, and Stats 2013). Organizations that effectively onboard newcomers on a personal level may benefit from positive job attitudes, individual performance, intention to stay, and customer satisfaction (Bauer, et al. 2007; Cable et al. 2013; Saks, Uggerslev, and Fassina 2007). Overall, research shows properly

Table 4
Robustness checks

| | (6) Full | (7) No Controls | (8) OLS FE | (9) Poisson ME |
|--|---------------------|----------------------|---------------------|----------------------|
| Frontline Salary Expenses | 29.53** (0.006) | 31.66** (0.002) | 29.73** (0.007) | 9.199*** (0.000) |
| Frontline Salary Expenses Squared | -1.258** (0.005) | -1.364** (0.002) | -1.251** (0.006) | -0.373*** (0.000) |
| Frontline Salary X Differentiated | 12.59** (0.004) | 13.71*** (0.000) | 9.417* (0.039) | 4.561** (0.004) |
| Frontline Salary Sqr. X Differentiated | -0.517** (0.004) | -0.545*** (0.000) | -0.399* (0.031) | -0.232*** (0.000) |
| Frontline Salary X Advertising | -3.355** (0.003) | -3.924*** (0.000) | -3.084** (0.008) | -0.728*** (0.000) |
| Frontline Salary Sqr. X Advertising | 0.143** (0.003) | 0.166*** (0.000) | 0.131** (0.006) | 0.034*** (0.000) |
| Frontline Salary X 9/11 | 4.430** (0.00) | 3.772** (0.009) | 4.484** (0.003) | 2.155*** (0.000) |
| Frontline Salary Sqr. X 9/11 | -0.180** (0.004) | -0.151* (0.012) | -0.184** (0.004) | -0.089*** (0.000) |
| Differentiated Business Model | -75.11** (0.005) | -84.90*** 0.000 | | -19.31* (0.048) |
| Advertising Expenses | 19.56** (0.005) | 23.07*** (0.001) | 17.96* (0.010) | 3.888*** (0.000) |
| 9/11 Dummy | -27.43** (0.002) | -23.74** (0.006) | -27.61** (0.002) | -13.37*** (0.000) |
| Constant | -162.7* (0.012) | -183.3** (0.003) | -206.0** (0.002) | -46.18*** (0.000) |
| All Controls | YES | NO | YES | YES |
| Firm Dummies | YES | YES | YES | YES |
| Year Dummies | YES | YES | YES | YES |
| Quarter Dummies | YES | YES | YES | YES |
| Observations | 312 | 320 | 312 | 312 |
| Firms (No. of Airlines) | 13 | 13 | 13 | 13 |
| Akaike Information Criterion | 248.3 | 217.4 | 37.8 | 7625.2 |

Exact p-values in parentheses.

† p<0.10, * p<0.05, ** p<0.01, *** p<0.001

socialized frontline human capital will be better integrated into the organization and can identify better with their customers.

While we expected to find a positive interaction effect between frontline human capital and advertising on consumer dissatisfaction (Vomberg et al. 2015), we found a statistically significant negative effect. We now revisit this finding, drawing on expectation-disconfirmation theory (Oliver 1977; 1980). According to this theory, consumers compare their perceptions of performance with their expectations and determine the degree of discrepancy or disconfirmation (Oliver 1977; 1980). A consumer's expectations are rooted in the consumer's comprehensive experience encountering the brand, including an individual's past experiences with a brand, their experiences with other brands in a product category, and what they learn about the brand from news, word of mouth, and other sources (Cadotte, Woodruff, and Jenkins 1987). Firms can use advertising investments to influence consumer expectations as well as to communicate basic information, such as temporary price discounts. As advertising investments increase, it is plausible that the firm is using advertising to set consumer expectations as a primary element of their branding strategy (Otto, Szymanski, and Varadarajan 2020). When advertising sets consumer experience expectations and the firm delivers on those expectations, firms can benefit (Szymanski and Henard 2001).

However, firms often tend to over promise and under deliver (Szymanski and Henard 2001; Zeithaml et al. 1996). Consumers can be more impacted by the experience of the product or service than by the advertisement for the product or service. Consumers may discount the advertisement even if the quality matches their expectations (Kopalle and Lehmann, 1995). In other words, frontline workers may have been better off if there was less advertising so that consumers did not expect much when they came in. In fact, frontline service employee personal authenticity is considered a separate predictor of positive consumer outcomes and matters more when brands are not seen as authentic, illustrating the substitutive relationship (Matthews et al. 2020). Some consumers are known to manage their own expectations, specifically lowering their expectations to improve future satisfaction (Ganesh, Arnold, and Reynolds 2000; Kopalle and Lehmann 2001); in other words, while overstating is generally desirable, understating may be more optimal in certain conditions (Kopalle and Lehmann 2006).

The moderating role of an exogenous variable is very relevant and timely light of the COVID-19 pandemic crises and its devastating impact on the airline industry. This study's results show generally fewer passenger complaints post 9/11. Similarly, in 2020-2021, the American Consumer Satisfaction Index reported increases in average airline satisfaction scores following the outbreak of the COVID-19 crises. The 2020-2021 satisfaction increases may be attributable to the fact that airlines at that time carried 60%, 70%, 80% and for a while even 94% fewer passengers. These lower number of travelers likely received heightened attention from the TSA, airport, and airline employees.

Of course, the industry also experienced much higher rates of unruly consumer behavior on flights (NPR 2021). This highlights two critical lessons. First, firms must recognize that exogenous events can influence consumer satisfaction, dissatisfaction, and complaining behavior. Second, it is helpful to evaluate the many ways in which an exogenous event influences these consumer responses. While third party complaints and satisfaction scores may trend more positive, negative word-of-mouth and other consumer behaviors may still trend more negative. We posit that firms can apply these lessons by considering the source to which consumers attribute potential service failures and by paying attention to how changes impact frontline employees. For example,

the increase in unruly passenger behavior during the COVID-19 pandemic (NPR 2021) clearly caused additional job-related stress for frontline employees in the airline industry.

This highlights the impact of the current study's finding that organizations that had higher levels of investments in frontline employees post-9/11 saw a larger decrease in customer complaints. The finding provides some "tough medicine" guidance to airlines and other service industries working through and beyond the COVID-19 crisis. The devastating drop in airline passengers would make layoffs, furloughs, and other reductions in investments in frontline employees justifiable, but our findings suggest that airlines that figure out a way to continue the investments in their frontline employees will likely see greater benefits in decreased consumer dissatisfaction in the months and years following the crisis.

LIMITATIONS AND FUTURE RESEARCH

We strongly encourage more research into the nature of how exogenous events impact consumer dissatisfaction and complaining behavior and how this impact relates to frontline employees and FHC investments. For example, consumers grudgingly accepted service delays and security changes resulting from 9/11, yet there is a considerable portion of consumers actively fighting service changes resulting from the COVID-19 pandemic. While consumer safety is at the center of both changes, at least some consumers clearly process and react to the changes in very different ways. One option may be to explore how consumer identity influences consumer reaction to service changes due to exogenous events. This may provide consumer-centric insights into how exogenous events impact consumer dissatisfaction in an industry. Additionally, it is important to further study how frontline employees adapt to changes in service design and consumers responses to these changes. Our finding that reductions in FHC investments can result in greater consumer dissatisfaction further highlights the value of research into what mechanisms support frontline employee performance under times of stress and change.

The limitations of our paper may provide paths for future research. We try to generalize our study of frontline workers in the airline industry, but these workers can be considered a public service by some, similar to healthcare workers. It would be important to conduct the same research in healthcare and other industries in transportation as well as agriculture, hospitality, and retail that also arguably provide essential services. Also, while airline industry data provides secondary data covering many of the variables in this study, the operationalization of some variables could be improved. It would be beneficial for future research to utilize more precise operationalizations of frontline human capital and other variables in this study. Due to these limitations, the study should not be viewed as generalizable, pending confirmation from future studies.

Our model has additional limitations that future research could improve upon. For instance, we identified three theory- and phenomena-driven moderator variables, but there may be omitted variables that are important in understanding the relationship between frontline human capital and consumer dissatisfaction and complaining behavior. Additionally, we use consumer dissatisfaction as our dependent variable, but it would be important to see how frontline human capital investments impact other outcomes, such as employee satisfaction and consumer retention.

CONCLUSION

Our paper can provide new avenues for research in marketing, particularly in the area of consumer dissatisfaction and complaining. First, we identify an important antecedent to consumer dissatisfaction, namely frontline human capital investments. However, it would be worthwhile to thoroughly measure the different human capital architectures—novice, experienced, part-time, or

contracted employees— and investigate how they can improve consumer satisfaction and reducing consumer dissatisfaction. This would further expand the strategic view of how organizations and marketers can not only manage the occurrence of online and public consumer complaints (Dahl and Peltier 2015), but also proactively manage complaining behavior before it goes public. Viewing the interaction among frontline employees and consumers as part of the process in co-creating value is consistent with the service dominant logic (Vargo and Lusch 2008). Second, while the current study indicates positive financial returns to the firm that accrues with decreasing consumer dissatisfaction, this relationship is truly interesting and important for firms, thus warranting more focused attention from future research. Third, human capital resources can help firms achieve their marketing objective, but this link has not been thoroughly examined (Moorman and Day 2016; Giannakis, Harker, and Baum 2015). While most marketing research has focused on measuring human capital through consumer service representatives, it would be important to see the indirect impact of non-frontline employees, such as managers, executives, and CEOs. The marketing literature has started to explore topics concerning how firms get marketing professionals to invest in firm-specific human capital (Griffith and Lusch 2007) and the impact of coaching on frontline service employee commitment to service quality (Elmadağ, Ellinger, and Franke 2008). These are promising areas in marketing and in the management of consumer satisfaction, dissatisfaction, and complaining that should be explored.

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PERSONALITY AND PREFERENCES FOR CHARACTERISTICS OF PAY FOR PERFORMANCE PLANS: A PATH TO JOB SATISFACTION AND CUSTOMER SATISFACTION

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ABSTRACT

Person-organization fit has been shown to lead to employee job satisfaction which in turn has been shown to be related to customer satisfaction. Using a person-organization fit framework, relationships between individual differences in the big five personality dimensions and preferences for characteristics of variable pay were investigated. In an experimental setting, the relationship between personality and preferences for pay contingent on individual performance versus team performance was investigated. Additionally, the relationship between personality and preferences for the degree of pay at risk (the portion of pay tied to performance) within variable pay systems was investigated. The results indicate that participants who prefer to have their pay contingent on team performance have higher levels of openness to experience than do individuals who prefer to have their pay contingent on their individual performance. Participants who prefer to have greater levels of their pay at risk have higher levels of extraversion and openness to experience and lower levels of neuroticism than do participants who prefer to have lower levels of their pay at risk. These results suggest that there are systematic differences in preferences for components of pay for performance plans by individuals with differing personalities. To maximize the likelihood of employee job satisfaction and customer satisfaction, organizations should select employees whose personalities align with the organization's pay for performance plan's characteristics.

INTRODUCTION

Customer satisfaction is, or should be, the telos, the ultimate goal, of all business activities (Larsen & Wright, 2020). Further, the pursuit of customer satisfaction should include the total, integrated effort of all entities in a business, including accounting and finance, human resources, research and development, and other business activities of the firm (Wright, Pearce, & Busbin, 1997). When this total, integrated effort of the firm produces customer satisfaction, financial profitability is the usual result (Kohli & Jaworski, 1990). This philosophy, variously described as either “market orientation” (Kohli & Jawarski, 1990; Narver and Slater, 1990) or “the marketing concept” (Webster, 1994), sets the table for a focus on non-traditional, non-marketing activities that can contribute to an overall increase in customer satisfaction. The focus of this paper is on how employee compensation, a concept more at home in human resource management circles than in marketing, can help produce the total, integrated effort across the firm that leads to increased customer satisfaction and profitability.

Customer satisfaction is a critical objective for many organizations (Fournier & Mick, 1999; Tse, Nicosia, & Wilton, 1990). Research demonstrates that there is a positive relationship between employee job satisfaction and customer satisfaction (Brown & Lam, 2008). In other words, when an organization's employees are satisfied with their jobs, the organization's customers tend to be more satisfied (Brown & Lam, 2008; Homburg & Stock, 2004; Jeon & Choi,

2012; Netemeyer, Maxham, & Lichtenstein, 2010; Wangenheim, Evanschitzky, & Wunderlich, 2007). Therefore, successful organizational efforts to increase employee job satisfaction will likely also cause an increase in the overall satisfaction of an organization's customers. Conversely, low levels of employee job satisfaction could bring about lower levels of customer satisfaction. Low levels of satisfaction could ultimately lead customers to engage in retaliation-related behaviors aimed at the organization (Huefner & Hunt, 2000).

P-O FIT AND JOB SATISFACTION

Much has been written about job satisfaction and its antecedents and outcomes (Brief, 1998; Cranny, Smith, & Stone, 1992; Spector, 1997). One interesting line of research focuses on the idea of person-organization fit (P-O fit) and the positive outcomes that can result from a successful P-O fit. This literature contends that employees prefer to work for organizations that have cultures that are compatible with their personality and values (Kristof, 1996). Successful P-O fit relates to increased job satisfaction (Boxx, Odom, & Dunn, 1991; Bretz & Judge, 1994; Cable & Judge, 1996; Chatman, 1991; Kristof, 1996; O'Reilly, Chatman, & Caldwell, 1991; Verquer, Beehr, & Wagner, 2003). Stated differently, employees who "fit" with their organizations are less likely to be dissatisfied with their job situation and therefore, less likely to engage in counterproductive or retaliatory behaviors in the workplace than those who are "misfits" in the organization (Mount, Ilies, & Johnson, 2006). Consequently, when organizations hire employees whose personality and values align with the organization's culture, employee job satisfaction and customer satisfaction are likely to follow.

It is worth noting that other advantages of successful P-O fit include increased organizational commitment and individual performance as well as decreased turnover and intentions to quit (Kristof, 1996), which are all part of the total integrated effort of the organization that lead to greater customer satisfaction and corporate profitability (Wright, Pearce, & Busbin, 1997)

An organization's method of compensation is a large part of its culture. According to Lawler & Jenkins (1992), "depending on how reward systems are developed, administered, and managed, they may cause the culture of an organization to vary quite widely" (pp. 1015-1016). Rynes (1987) notes that compensation systems "communicate so much about an organization's philosophy, values, and practices" (p. 190). Similarly, Gerhart & Milkovich (1990) note that employers tend to differentiate among themselves through differences in the contingency of compensation. These differing ways in which compensation systems are structured send signals to job applicants as to the overall nature of an organization's culture (Kerr & Slocum, 1987; Schein, 1992). Thus, if a pay system is structured according to an organization's culture, an individual's fit with a pay system may indicate their fit with the organization as a whole (Barber & Bretz, 2000; Pappas & Flaherty, 2006; Rynes, 1987).

One aspect of an organization's compensation system is whether it is designed to motivate higher levels of individual and/or organizational performance. Research has demonstrated that such pay for performance systems are indeed related to higher levels of individual and organizational performance (Gerhart & Milkovich, 1990; Gerhart & Newman, 2020; Huselid, 1995; Pfeffer, 1998). Furthermore, for performance-based compensation systems to have the greatest possibility of motivating higher levels of performance, employee preferences for specific compensation components should align with the compensation system offered by an organization (Fang & Gerhart, 2012; Gerhart & Milkovich, 1992; Trank, Rynes, & Bretz, 2001). Such alignment can occur by applicants sorting themselves into organizations based on knowledge of

the differing compensation systems of organizations and/or by organizations being proactive and selecting employees based on this alignment (“fit”) (Deckop, Merriman, & Blau, 2004; Dohmen & Falk, 2011; Fang & Gerhart, 2012). Such an operationalization of P-O fit is known as the needs-supplies perspective, where P-O fit is defined “as the match between individual preferences or needs and organizational systems and structures” (Kristof, 1996). The needs-supplies operationalization is tied to the theory of work adjustment (Dawis & Lofquist, 1984) that proposes that employees will experience more work satisfaction if their needs are met by the work environment.

Barber & Bretz (2000) noted that scant research attention has been given to compensation systems and their impact on applicant attraction. They argue that this lack of attention is “particularly troubling in light of the burgeoning literature on P-O fit” (p. 37). Because of the positive outcomes of P-O fit, such as increased job satisfaction, Barber & Bretz (2000) note the importance of research using a P-O fit perspective on compensation’s role in employee attraction. In particular, they point out that such research is especially relevant given emerging compensation practices such as team-based pay and at-risk pay.

Organizations have traditionally structured compensation systems to primarily tie pay to the value of each job within the organization. Such systems use the process of job evaluation to attach point values to the jobs in an organization based on compensable factors such as responsibility and working conditions; pay is then assigned based on the respective point totals for each job and with reference to the market value of the job (Gerhart & Newman, 2020). More recently, many firms have abandoned the job evaluation process and have largely relied on market data to determine a wage for each job (Armstrong & Brown, 2017; Gerhart & Newman, 2020). In addition to the wage assigned to the job, an additional amount of money is often awarded to the job holder based on some measure of individual, team, and/or organization performance. One traditional individual-based performance reward is merit pay, which gives additional pay to job holders based on evaluations of their individual performance. Once received, these merit raises become part of base pay, and function as an annuity in the future (Gerhart & Milkovich, 1992; Gerhart & Newman, 2020; Schuster & Zingheim, 1992). Consequently, businesses have experienced increasing payrolls during times of growth and during times of decline. While merit pay ties rewards to measures of individual performance, profit sharing and gainsharing are examples of ways in which organizations supplement base pay through rewards contingent on team and/or organization performance. When rewards such as profit-sharing payments are coupled with a market-based salary, the organization is sharing its success with the employee. If the organization does well, pay goes up via profit sharing payouts, but if the organization struggles, the employee won’t see a profit-sharing payout but their salary will remain constant at the market rate (Newman, Gerhart, & Milkovich, 2017). Compensation practices such as those detailed above cause an organization’s payroll to regularly increase (e.g., merit pay) or fluctuate upward from constant base salary in profitable times (e.g., traditional profit sharing). This has become a difficult position for businesses in the increasingly competitive global marketplace where profits and losses are both very real possibilities and has motivated employers to investigate new methods of compensation that share the risk of the profits and losses in the competitive marketplace with employees (Gerhart & Newman, 2020; Lawler, 1990; Schuster & Zingheim, 1992).

Another motivation for the shifting of compensation systems away from strictly job-based methods, where pay is tied to the value of the job and additional rewards are granted based on individual performance, lies in structural business changes. Job boundaries are expanding and even disappearing. Workers are expected to know more and do more either individually or as a member

of a work team. This makes traditional compensation systems that tie pay to the content of a specific, narrowly defined job and that are reliant on rewarding individual performance increasingly out of synch with how work is being restructured (Flannery, Hofrichter, & Platten, 1996; Gerhart and Newman, 2020; Lawler, 1990).

To remain competitive in today's global market, and to align compensation systems with internal structural changes, many businesses have begun transforming their pay systems. With this transformation, businesses hope to have their compensation systems be more reflective of their successes and failures in the marketplace and be better suited for new forms of organization where there may be more focus on the performance of the team and the organization (Gerhart & Newman, 2020; Schuster & Zingheim, 1992). Under these new pay systems, pay may be structured so that employees share in the risk of the variability of the organization's successes and failures. Base compensation is set with reference to the market but may often be lower than traditional base pay. However, an additional portion of the individual employee's pay is contingent on performance of the individual, the work group, and/or the organization. Unlike merit pay, these performance "bonuses" are not incorporated into base pay. Consequently, with such at-risk pay, the employee will receive more pay during times of stronger performance, and during times of weaker performance the employee will receive less pay (Gerhart & Milkovich, 1992; Gerhart & Newman, 2020; Greene, 2013; Heneman, Fay, & Wang, 2001). Under such systems, pay may be higher in times of success than it would be under a traditional system (and in times of lower performance it may be lower). While some researchers have expressed concerns that employees potentially will be dissatisfied with at-risk pay plans (Brown & Huber, 1992; Renn, Barksdale, & Van Scotter, 2001), if an organization properly communicates the details of the plan (Brown & Huber, 1992) and makes their employee selection decisions based on the idea of P-O fit (including the fit of employee preferences for pay models and the pay model of the organization), then employees should continue to be satisfied with their jobs during the ups and downs of this pay cycle and customer satisfaction should follow.

Thus, given the range of compensation systems that are emerging in business, and given the insights of Barber & Bretz (2000), the present research investigates individual attraction to differing compensation practices (in particular individual vs. team-based pay and the degree of risk within at-risk pay plans) utilizing a P-O fit framework.

A variety of individual differences could be used in assessing the person side of P-O fit. However, the present study takes advantage of advances that have taken place in the use of personality in management research. Notably, the use of personality testing in the selection of employees had fallen out of favor for many years beginning in the 1960s. Research by Guion (1965) and Guion & Gottier (1965) had concluded that personality variables showed little systematic relationship to work-related criteria. The study of the use of personality measures in employee selection was also adversely impacted by the person-situation debate that surrounded Mischel's (1968) research. However, after many years of debate surrounding the validity of personality measures, as well as the person-situation argument, researchers now recognize that personality is consistent across adulthood (Costa & McCrae, 1988; Hogan, Hogan, & Roberts, 1996) and that it is predictive of job performance over periods of several years (Hogan, 1998; Judge, Higgins, & Thoresen, 1999, Oswald & Hough, 2011). Additionally, the predictive ability of some personality dimensions on performance can be generalized across occupations (Barrick and Mount, 1991; Mount and Barrick, 1995; Oswald & Hough, 2011).

Barber & Bretz (2000) suggest focusing research efforts on the "big five" dimensions of personality (Barrick & Mount, 1991), and note that "the existence of this parsimonious structure

of personality traits has facilitated the accumulation of knowledge of personality effects in selection and could do the same for research on attraction and compensation” (p. 44). Therefore, in the following two sections, hypotheses are set forth regarding relationships between big five personality variables and attraction to two compensation components. According to the P-O fit framework, hiring and employing individuals who prefer the way an organization structures its compensation system should lead to more satisfied employees. Having more satisfied employees should help ensure the satisfaction of the customers of the organization (Brown & Lam, 2008; Jeon & Choi, 2012; Homburg & Stock, 2004; Netemeyer et al., 2010; Wangenheim, et al., 2007). Conversely, hiring and employing individuals who do not prefer the way an organization structures its compensation system should lead to less satisfied employees (and consequently less satisfied customers). In the first section to follow, hypotheses are presented for relationships between individual differences in some of the big five personality dimensions and one’s preferred level of aggregation for performance-based pay--specifically, relationships between the personality dimensions and preferences for individual versus team performance-based pay are investigated. In the second section to follow, relationships between individual differences in some of the big five personality dimensions and the preferred degree to which pay is at risk are examined. The degree to which pay is at risk can vary widely (Cascio, 1998, Gerhart & Newman, 2020). When a relatively small proportion of pay is at risk, there is a degree of stability for the employee, but potential rewards may be smaller than if a relatively large proportion of pay is at risk. On the other hand, when a relatively large proportion of pay is at risk, income is not very stable and is subject to wide fluctuations, but the potential payoff may be higher. Individuals vary as to the extent to which they are accepting of or adverse to risk (Cadsby, Song, & Tapon, 2007; Dohmen & Falk, 2011; Fulmer & Walker, 2015; Pappas & Flaherty, 2006). Thus, relationships between the personality dimensions and preferences for low base pay with an additional large portion of pay tied to performance versus a higher base pay with an additional small portion of pay tied to performance are investigated. Hypotheses are not developed for all five of the big five personality dimensions in each section. Hypotheses are only presented where a logical relationship can be developed between one of the dimensions and the particular pay component.

LEVEL OF AGGREGATION HYPOTHESES

Three hypotheses regarding the relationships between big five personality variables and preferences for individual vs. team-based pay were formulated. Three of the big five dimensions --agreeableness, openness to experience, and extraversion--- were expected to be related to individuals’ preferences for either individual or team-based pay.

Agreeableness

Agreeableness is a dimension largely composed of interpersonal tendencies. A person high in agreeableness is “fundamentally altruistic. He or she is sympathetic to others and eager to help them and believes that others will be equally helpful in return. By contrast, the disagreeable or antagonistic person is egocentric, skeptical of others’ intentions, and competitive rather than cooperative” (Costa & McCrae, 1992, p.15). Given the cooperative, trusting nature of the agreeable individual, it seems likely that individuals higher in agreeableness will be more likely to prefer team-based pay systems -- where cooperation and trust help achieve higher levels of pay -- than individuals lower in agreeableness.

This notion is supported by the findings of Judge & Cable (1997) -- individuals scoring high on agreeableness were more attracted to team-oriented organizational cultures. The items on

the measure of team orientation used by Judge & Cable seem to describe distinctions between cultures that encourage participation and those that do not. Team-based compensation schemes require a high level of participation and cooperation and thus would seem to be similarly related to agreeableness.

Bretz, Ash, & Dreher, (1989) also investigated the relationship between personality variables and preferences for individual versus organizational-oriented reward systems. When an attempt to find a relationship between the need for affiliation and preference for organizational-oriented reward systems failed, Bretz, et al. performed a post hoc test to reanalyze the relationship with a higher order factor of personality. This factor was labeled "degree and quality of interpersonal orientation" and appears similar to the big five dimension of agreeableness. This relationship was also not supported. However, Bretz, et al. did not use an instrument that was specifically designed to measure the big five dimensions of personality. A more pure measure of agreeableness may support this relationship.

Therefore:

Hypothesis 1: *Individuals who prefer team-oriented performance-based compensation systems will have higher levels of agreeableness than will individuals who prefer individually-oriented performance-based compensation systems.*

Openness to Experience

Open individuals have intellectual curiosity, a preference for variety, and are curious about both the outer and inner worlds (Costa & McCrae, 1992). Individuals who score low on openness "tend to be conventional in behavior and conservative in outlook. They prefer the familiar to the novel, and their emotional responses are somewhat muted" (Costa & McCrae, 1992, p.15). It seems probable that people higher in openness will be more willing to experience different (unconventional) types of compensation systems than will individuals who are lower in openness. While team-oriented performance-based compensation systems are becoming more prevalent, they are still unconventional because performance-based compensation systems have historically been individually oriented. Thus, more open individuals would seem more likely to prefer team-oriented performance-based compensation systems than would less open individuals. Support for the relationship between openness to experience and preference for team-based rewards can be found in the work of Gomez-Mejia & Balkin (1989) and in research related to Holland's (1973) theory of vocational choice. Gomez-Mejia & Balkin found that individually based rewards for research and development scientists were not related to pay effectiveness. However, they found that team-based rewards for these scientists were significant predictors of pay satisfaction, reported project performance, and turnover intentions. Holland's (1973) theory of vocational choice can be used to link the results of the Gomez-Mejia & Balkin (1989) study with openness to experience. According to Holland, occupations and the individuals who select into them can be grouped into six categories. One of the categories---the investigative category --- consists of individuals that can be described as analytical, abstract, curious, and theory-oriented (Hogan & Blake, 1996). These terms could easily be used to describe research and development scientists such as those used in the Gomez-Mejia & Balkin study. Costa, McCrae, & Holland, (1984) showed that when openness to experience is correlated with Holland's (1973) work domains, significant correlations with Holland's investigative domain ($r = .33$ for men and $.40$ for women) are obtained. Hogan & Blake (1996) report similar correlations between the investigative domain and openness to experience scales for three personality instruments. Given this evidence, individuals high in openness to

experience would be expected to be similarly motivated by team-based rewards---just as the research and development scientists were. Therefore:

Hypothesis 2: *Individuals who prefer team-oriented performance-based compensation systems will have higher levels of openness to experience than will individuals who prefer individually oriented performance-based compensation systems.*

Extraversion

Traits frequently associated with this dimension include “being sociable, gregarious, assertive, talkative, and active” (Barrick & Mount, 1991, p.3). Extraverts like people and prefer large groups and gatherings (Costa & McCrae, 1992). On the other hand, introverts are reserved, independent, and even paced (Costa & McCrae, 1992). Given the extraverts’ desires for social situations and groups, it seems probable that they would have a stronger preference for team-oriented performance-based compensation systems where there is a high level of participation and interaction than would more introverted individuals. Support for this idea can be found in Judge & Cable (1997). They found that individuals higher in extraversion preferred team-oriented organizational cultures. Thus, for the reasons cited above, it is probable that individuals high in extraversion will prefer team-oriented performance-based compensation systems.

Furthermore, Cable & Judge (1994) found that highly individualistic job seekers were more attracted to individual versus group-based pay plans than were highly collectivistic job seekers. Individualistic individuals were described as preferring to work alone whereas collectivistic individuals derive satisfaction from group accomplishment (Cable & Judge, 1994). Individualistic individuals would seem to share characteristics with introverts whereas collectivistic individuals would seem to share characteristics with extraverts. Thus, introverts would seem less likely to prefer team-oriented performance-based pay plans than would extraverts. Therefore:

Hypothesis 3: *Individuals who prefer team-oriented performance-based compensation systems will have higher levels of extraversion than will individuals who prefer individually oriented performance-based compensation systems.*

DEGREE OF RISK HYPOTHESES

Four of the big five dimensions---neuroticism, conscientiousness, extraversion, and openness to experience--- are expected to be related to individuals' preferences for the amount of their pay that they are willing to have at risk.

Neuroticism

The dimension of neuroticism provides an indication of the degree of an individual’s emotional stability. It “contrasts adjustment or emotional stability with maladjustment or neuroticism” (Costa & McCrae, 1992, p.14). Individuals high in neuroticism tend to experience negative feelings and cope more poorly than others with stress. Individuals low in neuroticism are more secure and are better able to face stressful situations. When a larger proportion of pay is tied to performance, the financial risk faced by the individual becomes greater. Risk averse individuals prefer to avoid such variable pay plans and prefer fixed pay (Cable & Judge, 1994; Deckop, Merriman, & Blau, 2004; Dohmen & Falk, 2011). However, as more organizations drop fixed pay plans in favor of variable pay plans (Gerhart & Newman, 2020), employees may have to choose

between the degree of variability in pay between organizations as opposed to a fixed pay organization versus a variable pay organization. Such inherently risky pay situations tend to be stressful. Thus, individuals lower in neuroticism would seem to fare better when financial risk is greater than would individuals higher in neuroticism.

Support for the suggested relationship between neuroticism and the degree of risk assumed within an organization's culture is found in Judge & Cable (1997). They found a significant negative relationship between level of neuroticism and preferences for organizational cultures that promote experimentation and risk taking and that do not emphasize being stable or secure. In other words, individuals higher in neuroticism did not express preferences for working in risky, non-stable organization cultures. Similarly, Fulmer & Walker (2015) noted that individuals higher in neuroticism were less likely to thrive under a pay for performance system. In a laboratory study, they found that more emotionally stable (lower neuroticism) individuals were more productive under a piecework system than under a fixed pay system. A similar relationship is expected between neuroticism and preferences for the degree of risk within pay plans. Therefore:

Hypothesis 4: *Individuals who prefer having a relatively higher proportion of their pay at risk will have lower levels of neuroticism than will individuals who prefer having a relatively lower proportion of their pay at risk.*

Conscientiousness

Conscientiousness reflects being achievement-oriented, hardworking, and persevering (Barrick & Mount, 1991). The conscientious individual is determined, strong-willed, and purposeful. High conscientiousness is associated with occupational and academic achievement. Individuals low in conscientiousness are more lackadaisical in working toward their goals (Costa & McCrae, 1992). Given that conscientious individuals are achievement-oriented, purposeful, and occupationally successful, it seems logical to argue that such individuals would be willing to assume more risk in their pay because of the linkage between performance and the ultimate payoff. In other words, while less conscientious individuals may not have the motivation to perform at levels that could bring increased rewards and thus prefer putting less of their pay at risk, more conscientious individuals are motivated to work at the levels that may be required to bring about increased rewards.

On the other hand, Judge & Cable (1997) found that there was a negative relationship between level of conscientiousness and preferences for organizational cultures that promote experimentation and risk taking and that do not emphasize being stable or secure. Judge & Cable argue that this relationship occurs because conscientious individuals are risk-averse and that their need for order may cause them to avoid novel situations. However, this careful, orderly side of the conscientious individual may be overpowered by the achievement striving, hardworking aspects of the conscientiousness dimension when performance-based rewards are a component of an organization's culture. Thus:

Hypothesis 5: *Individuals who prefer having a relatively higher proportion of their pay at risk will have higher levels of conscientiousness than will individuals who prefer having a relatively lower proportion of their pay at risk.*

Extraversion

This dimension indicates the degree to which an individual is extraverted, as described in the previous section on level of aggregation hypotheses. According to Gray (1973), extraverts are

very open to the influence of external rewards whereas introverts are not. According to Gray, the more extraverted an individual is the more sensitive he or she is to a signal of a reward. Support for Gray's theory can be found in research related to Holland's (1973) theory of vocational choice. One of Holland's (1973) occupational categories---the enterprising category --- consists of individuals that can be described as motivated by their desire for economic gain. Costa et al., (1984) showed that when extraversion is correlated with Holland's (1973) work domains, the strongest correlation is with Holland's enterprising domain ($r = .65$ for men and $.51$ for women). Similar findings are reported by Hogan & Blake (1996) who show the highest extraversion-Holland work domain correlation to be for the enterprising domain across a range of personality instruments. Given this relationship between extraversion and Holland's enterprising domain, extraverted individuals are expected to be similarly motivated by a desire for economic gain. Stewart (1996) supported this notion by demonstrating that salespeople higher in extraversion excelled on job performance dimensions that provided the greatest reward. Additionally, Fulmer & Walker (2015) found via a laboratory study that extraverted participants performed better under performance-based pay than under fixed pay. Therefore, it seems logical that extraverted individuals would be more satisfied with pay systems where a larger portion of pay is at risk and subsequently, potential economic gains are greater. Thus:

Hypothesis 6: *Individuals who prefer having a relatively higher proportion of their pay at risk will have higher levels of extraversion than will individuals who prefer having a relatively lower proportion of their pay at risk.*

Openness to Experience

As described in the previous section on level of aggregation hypotheses, individuals scoring high on openness to experience are characterized as more unconventional, while those scoring low on openness are characterized as conventional. It is probable that people higher in openness will be more eager to experience different (unconventional) types of compensation systems than will individuals who are lower in openness. Risk sharing plans where a portion of employee pay is at risk are still a relatively unconventional practice (Gerhart & Newman 2020). Further, the larger the portion of pay that is at risk, the more unconventional the pay system. Therefore, it seems likely that individuals who are more open to experience are more likely to prefer having a relatively large portion of pay put at risk than are less open individuals.

Support for the relationship between openness to experience and the degree of risk assumed within an organization's culture may be found in Judge & Cable (1997). They found a significant positive relationship between level of openness to experience and preferences for organizational cultures that promote experimentation and risk taking and that do not emphasize being stable or secure. In other words, individuals higher in openness to experience expressed preferences for working in risky, non-stable organization cultures. A similar relationship is expected between openness to experience and preferences for degree of risk within pay plans. Thus:

Hypothesis 7: *Individuals who prefer having a relatively higher proportion of their pay at risk will have higher levels of openness to experience than will individuals who prefer having a relatively lower proportion of their pay at risk.*

METHOD

Sample

The participants consisted of MBA students at a large university in the United States. Each participant completed a personality inventory and a compensation system preference measure. To determine the appropriate sample size needed to test the hypotheses using independent sample *t* tests, a power analysis was performed for a medium effect size ($d = .5$) and an alpha level of $p = .05$. The analysis revealed that a sample of 50 participants was needed in each group (e.g., team-based pay preference group vs. individual-based pay preference group) to obtain a power of .80 (Cohen, 1987). To account for the possibility that some participants would provide incomplete information and fall out of the study and that some participants may not express an opinion regarding a compensation system characteristic, data were collected from a larger group of participants to ensure that at least 50 participants could be placed in each group in the statistical analysis. Data were collected from a total sample of 209 participants. This yielded a usable sample of $N = 196$. There were 65 female and 131 male participants. The age of participants ranged from 21 to 55 ($M = 30.05$, $SD = 6.48$). Total months of full-time work experience for the participants ranged from zero to 400 ($M = 92.22$, $SD = 78.69$). The age and work experience of the participants strengthen the experiment in that the majority of these individuals are familiar with the workplace and the nature of compensation systems.

Measures

Personality Inventory. Each participant completed the Revised NEO Personality Inventory developed by Costa & McCrae (1992). This inventory consists of 240 statements on which respondents are asked to indicate their relative agreement on five-point scales ranging from "strongly disagree" to "strongly agree." This personality inventory was specifically designed to measure personality according to the five factor model. For this paper, all personality scores are expressed in standardized form, i.e., T-scores ($M = 50$, $SD = 10$) with higher T-scores indicating a higher level of the personality dimension.

Compensation System Preference Measure (CSPM). Each participant read and completed the CSPM. This measure, developed by the authors, consists of four case descriptions of compensation systems. The four cases differ on two dimensions. First, two of the cases describe situations where a portion of an individual's pay is contingent on his or her individual performance. The other two cases describe situations where a portion of an individual's pay is contingent on the performance of his or her work team in meeting unit profit objectives. Second, two of the cases describe systems with relatively high base pay with a small portion of additional pay contingent on performance. The other two cases describe situations with relatively low base pay with a larger portion of additional pay contingent on performance. These cases are structured in such a way that the low base pay systems have potential earnings that are higher than the high base pay systems when performance levels are high. Conversely, when performance levels are lower, the high base pay systems have potential earnings that are higher than those in the low base pay systems.

Four cases were presented to each participant: 1. low base pay with a large additional portion of pay contingent on individual performance, 2. low base pay with a large additional portion of pay contingent on team performance, 3. high base pay with a small additional portion of pay contingent on individual performance, 4. high base pay with a small additional portion of pay contingent on team performance. The order of the four cases within the packets was randomized. Each participant was told to assume that the four positions represented in the cases were all in their chosen profession, with successful organizations, and were in the same

metropolitan area.

Participants were asked to rank their preferences for the systems from most preferred to least preferred. Finally, they were asked to explain the rationale for their rankings. A 5-month test-retest reliability analysis of rankings on the CSPM was completed on 26 MBA students (a subset of the MBA students who served as participants in the study). Spearman's rank order correlation coefficients were computed for each individual. Sixty-five percent of the individuals' ratings obtained Spearman rank order correlation coefficients of .80 or above. In fact, only three individuals' rankings obtained Spearman rank order correlation coefficients below zero. Thus, it appears that responses to the CSPM remain relatively stable over time.

The compensation preference variables---preference for team-based pay, preference for individual-based pay, preference for low risk / stable income, and preference for high risk / high potential income---were determined by examining the content of the written explanations of the rankings in conjunction with the rankings. Two trained raters performed the content analysis. Based on their examination these raters noted stated preferences for individual or team-based pay and stated preferences for low risk / stable income or high risk / high potential income. The content analysis of the raters was compared to ensure reliability. For the content analysis of whether a participant indicated a preference for team-based pay, individual-based pay, or did not state a preference, the two raters agreed in 93.3 percent of the cases (Cohen's kappa = .893, $p < .001$). For the content analysis of whether a participant indicated a preference for low risk / stable income, high risk / high potential income, or did not state a preference, the two raters agreed in 83.2 percent of the cases (Cohen's kappa = .717, $p < .001$). When the two raters agreed, their categorization of the variables was used. When the two raters disagreed, the authors jointly determined the appropriate compensation preference variable category.

ANALYSIS AND RESULTS

Independent sample *t*-tests were conducted to directly test the hypotheses. To test the level of aggregation hypotheses, the participants' preferences were classified into two groups based on their stated preference for level of aggregation in contingent pay. The first group contained individuals with stated preferences for individually based contingent pay ($N = 98$). The second group contained individuals with stated preferences for team-based contingent pay ($N = 46$). To test the degree of risk hypotheses, the participants' preferences were classified into two groups based on their stated preferences for risk in pay. The first group contained individuals with stated preferences for systems with a higher base pay, more stability, and less risk ($N = 70$). The second group contained individuals with stated preferences for systems with lower base pay, higher potential pay, less stability, and more risk ($N = 91$). Table 1 reports the means and standard deviations for the variables examined in the analyses. The results of the hypotheses are presented below categorized according to type of hypothesis (i.e., level of aggregation and degree of risk) and personality dimension.

LEVEL OF AGGREGATION HYPOTHESES

Agreeableness. Hypothesis 1 stated that individuals who preferred team-oriented performance-based pay would have higher levels of agreeableness than individuals who preferred individually oriented performance-based pay. As can be seen in Table 2, a one-tailed *t* test indicated that there was not a significant difference in agreeableness between the two groups ($t(142) = -.69$, *ns*; $d = .13$). Thus, hypothesis 1 was not confirmed.

Table 1

Means and Standard Deviations

| <u>Variable</u> | <u>Mean</u> | <u>S.D.</u> |
|------------------------|-------------|-------------|
| Neuroticism | 49.88 | 10.34 |
| Extraversion | 57.12 | 10.76 |
| Openness to Experience | 54.01 | 10.78 |
| Agreeableness | 44.63 | 10.84 |
| Conscientiousness | 53.92 | 11.11 |

Table 2

Individually Based Pay and Team-Based Pay Means, Standard Deviations, t -Tests, and Effect Sizes

| Variable | Individually-based group (<i>n</i> = 98) | | Team-Based group (<i>n</i> = 46) | | <i>t</i> (142) | <i>d</i> |
|------------------------|--|-----------|--------------------------------------|-----------|----------------|----------|
| | <i>M</i> | <i>SD</i> | <i>M</i> | <i>SD</i> | | |
| Agreeableness | 44.9 | 11.12 | 46.3 | 10.17 | -0.69 | .13 |
| Openness to Experience | 54.0 | 10.99 | 56.7 | 10.29 | -1.37* | .25 |
| Extraversion | 58.4 | 10.97 | 55.8 | 10.46 | 1.35 | .24 |

Note: *d* = effect size

* *p* < .10 (one tailed).

Openness to Experience. Hypothesis 2 stated that individuals who preferred team-oriented performance-based pay would have higher levels of openness to experience than individuals who preferred individually oriented performance-based pay. As can be seen in Table 2, a one-tailed *t*-test indicated a very marginally significant difference in openness to experience between the two groups (*t*(142) = -1.37, *p* < .10; *d* = .25). Thus, hypothesis 2 was marginally supported. Participants who preferred team-oriented performance-based pay tended to be higher in openness to experience (*M* = 56.68, *SD* = 10.29) than participants who preferred individually oriented performance-based pay (*M* = 54.04, *SD* = 10.99).

Extraversion. Hypothesis 3 stated that individuals who preferred team-oriented performance-based pay would have higher levels of extraversion than individuals who preferred individually oriented performance-based pay. Table 2 shows that a one-tailed *t*-test indicated that there was not a significant difference in extraversion in the proper direction between the two groups (*t*(142) = 1.35, *ns*). In fact, the mean level of extraversion for participants who preferred

team-oriented performance-based pay was slightly lower than the mean for participants who preferred individually oriented performance-based pay.

Table 3

High risk/Low base pay and Low risk/ High base pay Means, Standard Deviations, t -Tests, and Effect Sizes

| Variable | High risk/ Low base group (<i>n</i> = 91) | | Low risk/ High base group (<i>n</i> = 70) | | <i>t</i> (159) | <i>d</i> |
|------------------------|--|-----------|--|-----------|----------------|----------|
| | <i>M</i> | <i>SD</i> | <i>M</i> | <i>SD</i> | | |
| Neuroticism | 48.8 | 9.48 | 52.1 | 10.91 | 2.03** | .33 |
| Conscientiousness | 54.3 | 10.72 | 53.3 | 11.17 | -0.54 | .09 |
| Extraversion | 58.7 | 10.39 | 54.8 | 9.86 | -2.40*** | .38 |
| Openness to Experience | 54.2 | 9.95 | 51.1 | 10.49 | -1.91** | .30 |

Note: *d* = effect size

** *p* < .05 (one tailed).

*** *p* < .01 (one tailed).

DEGREE OF RISK HYPOTHESES

Neuroticism. Hypothesis 4 stated that individuals who preferred having a relatively higher proportion of their pay at risk would have lower levels of neuroticism than individuals who preferred having a relatively lower proportion of their pay at risk. As can be seen in Table 3, a one-tailed *t*-test indicated that there was a significant difference in the level of neuroticism between the two groups in the proper direction (*t*(159) = 2.03, *p* < .05; *d* = .33). Thus, as hypothesized, participants that preferred having a relatively higher proportion of their pay at risk were significantly lower in neuroticism (*M* = 48.83, *SD* = 9.48) than participants who preferred having a relatively lower proportion of their pay at risk (*M* = 52.10, *SD* = 10.91).

Conscientiousness. Hypothesis 5 stated that individuals who preferred having a relatively higher proportion of their pay at risk would have higher levels of conscientiousness than would individuals who preferred having a relatively lower proportion of their pay at risk. Table 3 shows that a one-tailed *t*-test indicated that there was not a significant difference in conscientiousness between the two groups (*t*(159) = -.54, *ns*; *d* = .09). Thus, hypothesis 5 was not confirmed.

Extraversion. Hypothesis 6 stated that individuals who preferred having a relatively higher proportion of their pay at risk would have higher levels of extraversion than would individuals who preferred having a relatively lower proportion of their pay at risk. As can be seen in Table 3,

a one-tailed *t*-test indicated that there was a significant difference in the level of extraversion between the two groups in the proper direction ($t(159) = -2.40, p < .01; d = .38$). Thus, as hypothesized, participants that preferred having a relatively higher proportion of their pay at risk were significantly higher in extraversion ($M = 58.69, SD = 10.39$) than participants who preferred having a relatively lower proportion of their pay at risk ($M = 54.81, SD = 9.86$).

Openness to Experience. Hypothesis 7 stated that individuals who preferred having a relatively higher proportion of their pay at risk would have higher levels of openness to experience than would individuals who preferred having a relatively lower proportion of their pay at risk. Table 3 shows that a one-tailed *t*-test indicated that there was a significant difference in the level of openness to experience between the two groups in the proper direction ($t(159) = -1.91, p < .05; d = .30$). Thus, as hypothesized, participants that preferred having a relatively higher proportion of their pay at risk were significantly higher in openness to experience ($M = 54.20, SD = 9.95$) than participants who preferred having a relatively lower proportion of their pay at risk ($M = 51.10, SD = 10.49$).

DISCUSSION

The goal of this study was to determine if there are systematic differences in personality dimensions that account for peoples' preferences for differences in aspects of compensation systems. This is an important goal because it can be advantageous to select individuals that fit well with an organization's culture and/or for applicants to sort themselves into matching cultures. Successful P-O fit has been demonstrated to be related to increased levels of employee job satisfaction (Boxx, et al., 1991; Bretz & Judge, 1994; Cable & Judge, 1996; Chatman, 1991; Kristof, 1996; O'Reilly, et al., 1991; Verquer, et al., 2003) and employee job satisfaction has been shown to be related to customer satisfaction (Brown & Lam, 2008; Homburg & Stock, 2004; Jeon & Choi, 2012; Netemeyer, et al., 2010; Wangenheim, et al., 2007). The present study addressed the issue of P-O fit by investigating the relationships of personality variables -- characteristics of the individual-- and stated preferences for differing types of compensation systems -- potential characteristics of various organization cultures.

In the current study, systematic relationships between personality variables and preferences for differing types of compensation systems were found. Two components of compensation systems were investigated. First, preferences for the level of aggregation used in the determination of performance-based pay were investigated. In general, individuals who prefer having their pay based on the performance of their work team tend to have higher levels of openness to experience than do individuals who prefer having their pay based on their individual performance. No other personality variables were found to be related to preferences for the level of aggregation of pay.

Hypothesis 1 stated that individuals who preferred team-oriented performance-based compensation systems would have higher levels of agreeableness than would individuals who preferred individually oriented performance-based compensation systems. This hypothesis was not supported. Apparently, individuals who prefer team-oriented compensation systems are drawn to them for reasons other than the interpersonally oriented nature of the reward system. Judge & Cable (1997) found that individuals scoring high on agreeableness were more attracted to team-oriented organizational cultures. Similarly, Stevens and colleagues (Stevens & Ash, 2001; Stevens, Guthrie, Ash, & Coate, 2002) indicated that when given the choice in a managerial situation, individuals higher in agreeableness preferred working in a team environment. While individuals higher in agreeableness may prefer to work in team-oriented situations, they do not appear to have a clear preference for whether their pay is based on team or individual performance. Thus, they

may view the interpersonal nature of the work itself as separate from how that work is compensated.

Hypothesis 3 stated that individuals who prefer team-oriented performance-based compensation systems would have higher levels of extraversion than individuals who prefer individually oriented performance-based systems. Individuals who preferred team-oriented performance-based pay systems were not significantly higher in extraversion than those who preferred individually oriented performance-based systems. A possible explanation for this result lies in the make-up of the personality dimension of extraversion. Hogan & Hogan (1995) maintain that extraversion contains distinct elements of sociability and ambition. Therefore, it may be the case that while more sociable individuals would prefer to work in groups, more ambitious individuals may prefer to be paid based on their individual performance. As such, these potential opposite relationships may have negated any effect that extraversion would have on preferences for level of aggregation in performance-based pay.

The second component of compensation systems that was investigated was individual preferences for the level of risk in contingent pay (i.e., the proportion of pay tied to performance). In general, individuals who prefer having a relatively higher proportion of their pay at risk have lower levels of neuroticism and higher levels of extraversion and openness to experience than individuals who prefer having a relatively lower proportion of their pay at risk.

One research hypothesis related to the level of risk in pay was not supported. Hypothesis 5 stated that individuals who prefer having a higher proportion of their pay at risk would have higher levels of conscientiousness than would individuals who prefer having a relatively lower proportion of their pay at risk. Although the results were in the proper direction, they were not significant. A possible explanation for this result is that contrary to expectations, facets of conscientiousness related to being purposeful and achievement oriented may have been overpowered by a need for order. As was noted earlier, Judge & Cable (1997) found there was a negative relationship between level of conscientiousness and preferences for organizational cultures that promote experimentation and risk taking and that do not emphasize being stable or secure. They argued that this relationship occurs because conscientious individuals are risk averse and that their need for order may cause them to avoid novel situations. In the present study we argued that this careful, orderly side of the conscientious individual might be overpowered by the achievement striving, hardworking aspects of the conscientiousness dimension when performance-based rewards are a component of an organization's culture. As the test of the hypothesis indicates, such is not the case.

MANAGERIAL IMPLICATIONS

There are practical implications from the results of this study for improving the likelihood of better P-O fit and thus higher levels of employee job satisfaction and customer satisfaction. First, in general, all else being equal, organizations should consider individuals scoring higher in openness to experience as better matches to compensation systems that pay individuals based on team performance and that provide for a larger portion of pay to be tied to performance. Thus, hiring employees with higher levels of openness to experience when the organization has team-based pay for performance plans with larger portions of pay tied to performance should bring about increased P-O fit that will result in increased employee job satisfaction and consequently customer satisfaction. Beyond this relationship, Ekinci & Dawes (2009) have demonstrated a direct link between employee openness to experience and consumer satisfaction. Conversely, organizations should consider individuals scoring lower in openness to experience as better matches to

compensation systems that pay individuals based on individual performance and that provide for a relatively small portion of pay to be tied to performance. Second, additionally, all else being equal, individuals scoring higher in extraversion should be considered as better matches to compensation systems that provide for a larger portion of pay to be tied to performance. Therefore, hiring employees with higher levels of extraversion when the organization ties larger portions of pay to performance should bring about increased P-O fit that will result in increased job satisfaction, and consequently, customer satisfaction.

Beyond the aforementioned advantage of hiring extroverted employees to fit a particular organizational culture, other researchers have found relationships between employee extraversion and customer satisfaction. Ekinici & Dawes (2009) found that employee extraversion had a strong positive impact on interaction quality which in turn led to consumer satisfaction. Dormann & Kaiser (2002) demonstrated that employee extraversion had a positive relationship with customer satisfaction. Conversely, organizations should consider individuals scoring lower in extraversion as better matches to compensation systems that provide for a relatively small portion of pay to be tied to performance. While this may seem counterintuitive given the research of Ekinici & Dawes (2009) and Dormann & Kaiser (2002), hiring employees with moderate levels of extraversion may still contribute to customer satisfaction. Further research could investigate whether there is a lower bound to extraversion in terms of its relationship with customer satisfaction. Finally, all else being equal, individuals scoring lower in neuroticism should be considered as better matches to compensation systems that provide for a larger portion of pay to be tied to performance. Conversely, organizations should consider individuals scoring higher in neuroticism as better matches to pay systems that provide for a relatively small portion of pay to be tied to performance. Hiring according to these recommendations should bring about increased P-O fit that will in turn result in increased employee job satisfaction and customer satisfaction.

Practically, this means utilizing selection tools that screen for these personality variables or at a minimum incorporating compensation plan information into recruitment materials so that applicants can sort into organizations with plans that fit the applicants' preferences.

LIMITATIONS AND IMPLICATIONS FOR FUTURE RESEARCH

Although four of the seven hypotheses were supported, the effect sizes for these hypotheses were not large. Effect sizes for the supported hypotheses ranged from .25 to .38. Thus, according to the frame of reference recommended by Cohen (1988), the effect sizes fall between small ($d = .2$) and medium ($d = .5$). Therefore, even though the effect sizes for the supported hypotheses are not large, they represent significant findings. This is especially true for the degree of risk hypotheses. While previous research efforts have investigated individual preferences for fixed pay versus contingent pay, this is the first research effort to investigate individual differences associated with preferences for differing levels of risk within contingent pay. Thus, these findings do contribute to the understanding of the relationships between individual differences in personality and preferences for differing compensation system characteristics.

A second limitation of the present study is the experimental design using student participants. While this is not the ideal research situation, efforts were undertaken to ensure that the participants were not novices in the world of work. Evidence of this can be inferred through the average age of the participants (30.05 years) and their average number of months of full-time work experience (92.22 months).

While the present research does have its limitations, there is value in learning more about the relationships between individual differences in personality and preferences for differing

compensation system characteristics. Such information can be useful to organizations that desire to devise selection systems that maximize P-O fit and increase employee job satisfaction and customer satisfaction. Given the findings of the present research, further research is encouraged to investigate whether these findings will hold under other experimental settings and in the field. Additionally, research should be conducted to determine whether these personality-compensation system preference relationships are similar or different across different levels of jobs. The participants in the present study were all college graduates pursuing an advanced degree. As such, their willingness to assume more risk in pay or have their pay based on team performance may differ from the desires of other types of workers (e.g., lower-level service or production workers). Thus, further investigations in this line of research should attempt to broaden the scope of workers that are studied. Research directly investigating the relationship between P-O fit, achieved through aligning employee personality and compensations system characteristics, and employee job satisfaction and customer satisfaction is encouraged. Finally, research in other traditional HR domains should be explored as part of determining how the total, integrated effort of the employees of a firm can contribute to the overall increase in customer satisfaction and, ultimately, organizational profitability.

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