MAKING PURCHASES WITHIN AND OUTSIDE OF EMBEDDED MARKETS: HIGH LIFETIME VALUE CUSTOMERS IN THE PARISIAN MARKETPLACE

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ABSTRACT

This cross-cultural, ethnographic study closely examines the purchase experiences of two American academics during extended stays in France. The study discusses how and why insiders experience exceptional levels of satisfaction and how and why outsiders experience exceptional levels of dissatisfaction when making purchases in embedded markets. Analyzing the economics of customer service in France and the United States, the paper suggests that the commercial culture of France has been more attuned than that of the United States to identifying and giving exceptional service to customers who have especially high lifetime value for a business.

> *The problem is that while the French language is richly brocaded with concepts, customer service is not one of them.... Thus in the big anonymous department stores and supermarkets, the plight of the customer is desperate. Stay away from them unless your French is good and you're lusting for a challenge. (Platt 1998, p. 72)*

INTRODUCTION

> Wednesday, September 23, 11:00 a.m. I have just arrived at the audio/visual section of the FNAC department store near the Montparnasse tower in Paris. The VCR I recently purchased here, which is still under warranty, does not work, and I am waiting to try to exchange it. Having failed in this endeavor once already, I brought Madame B. with me, a Parisian with experience dealing with FNAC, for my second attempt at replacing my defective VCR. We purposefully chose a time when the store was not busy. When the sales clerk finally acknowledges that we are there, I patiently explain my problem. I speak French fluently, but with an American accent. The clerk treats me indifferently, tells me the VCR works just fine (even though it does not work fine!), and says that there is nothing he can do for me... At this point, Madame B. steps in and aggressively asks the clerk why he is not honoring the warranty. Surprised, he aggressively responds that he would, if the VCR were actually broken. We demonstrate that it *is* broken. The clerk tells us there is still nothing he can do. At this point, Madame B. demands that he replace the VCR. He responds heatedly to her, and both of them completely ignore me. She pleads my case, saying I am an American professor with four children, and I need the VCR to entertain them with English videos since they don't speak French. The clerk tells her that is not his problem. The exchange continues to be heated. Five minutes into this exchange, after much verbal jousting, the clerk gives up and exchanges the VCR. We leave, Madame B. exhilarated at her victory and me drained by the experience. I vow never to spend another franc at FNAC.

This paper focuses on the cultural dimensions of customer satisfaction in the French marketplace. We begin with a brief overview of cross-cultural customer satisfaction studies, paying close attention to those that examine broad, cross-cultural constructs. We then discuss the methodology of the study. We analyze some cultural characteristics of the French market that lead to very different notions of customer satisfaction. Finally, we conclude with a discussion of embedded markets and a discussion of what American businesses can learn from their French counterparts.

The setting of this paper is two consecutive semesters abroad in Paris. The first two authors each spent a semester directing the study abroad program for a mid-Atlantic university. During

their respective semesters, they each interacted extensively with Parisian businesses while spending large amounts of money. The major contribution of this ethnographic study is to demonstrate how cultural factors and assumptions combine to produce a customer satisfaction dynamic in Paris that differs markedly from the one in the United States. Implications for customer satisfaction in the French and American markets are also discussed.

CROSS-CULTURAL CUSTOMER SATISFACTION

Only recently have consumer satisfaction, dissatisfaction, and complaining behavior researchers branched out to cross-cultural studies. Various studies have compared American consumers with consumers in Canada (Day et al. 1981; Friedman 1974), the United Kingdom (Friedman 1974); Mexico (Villarreal-Camacho 1983), China (Chiu, Tsang, and Yang 1988), Puerto Rico (Hernandez et al. 1991), Taiwan (Huang 1994), and Asia (Raven and Foxman 1994; Foxman, Raven, and Stem 1990). Unsurprisingly, there are differences in satisfaction, dissatisfaction, and complaining behavior between the peoples of the United States and these other countries. Other studies have examined consumer satisfaction, dissatisfaction, and complaining behavior in a specific country without making an explicit comparison to the United States. For example, Kaynak, Kucukemiroglu and Odabasi (1992) discussed complaint handling in Turkey; Lee and Thorelli (1989) studied satisfaction with the bus system in the People's Republic of China; and Evrard (1991) examined satisfaction with public transportation systems in Paris.

Occasionally, these studies have teased out cultural constructs that have a clear application to a particular culture but are also relevant, sometimes more subtly, in cultures other than the one studied. For example, Foxman, Raven, and Stem (1990) point out that certain personality variables such as fatalism and locus of control may be culturally linked. Fatalism and locus of control are very much like the "nature" value orientation proposed by Kluckhohn and Strodtbeck (1961), which has been widely applied in cross-cultural studies. Chiu, Tsang, and Yang (1988) suggest that "face," or personal honor in a social situation, inhibits consumer complaining in China. Consumers may lose face if they complain, and companies may lose face if they admit they made a mistake. Consequently, people do not complain or acknowledge complaints even if they are dissatisfied or in the wrong. Hall and Hall (1987) have demonstrated that face is also integral to another Asian culture, Japan. More surprisingly, Platt (1998) has shown that face is also important in the French market. Thus, the concept of face is applicable well beyond the Chinese market.

Cultural Constructs

In this study, broad cultural concepts such as face and the nature value orientation are used along with the socioeconomic concept of embedded markets to explain why the French react very differently than Americans do to issues of customer satisfaction. While discussing differences between the French and Americans, we develop a conceptual framework that also illuminates the customer satisfaction dynamic in other cultures where the same broad cultural variables come into play.

METHODOLOGY

Ethnography

Data for this study were gathered while directing a semester abroad experience in Paris, France--the first author during Fall semester, 1998, and the second author during the Spring 1999 semester. Both authors are self-described "francophiles" who speak French fluently and who have a love for and appreciation of the French culture. The authors took notes throughout the semester, exchanged extensive e-mail messages with each other, and took hundreds of photographs of the experience. In the process, each author spent about one million French francs (roughly $160,000, depending on the exchange rate) in commercial transactions with French nationals, mostly in Paris, on behalf of the university, in addition to several thousand francs from their own personal funds. The notes cover many aspects of the semester abroad, including purchase experiences for both the program and personal expenses. In addition, each had to produce formal, written reports about their experiences and

left a financial paper trail for auditing purposes. After their respective semesters, the notes, reports, e-mail, photos, and memories of the experiences they shared constituted a large body of data on the cross-cultural experience of consumer satisfaction in France.

While this is a multi-method study, our primary research methodology was participant observation (Hammersly and Atkinson 1983; Stoller 1989). We also used autodriving (Heisley and Levy 1991) when necessary to tease out insights.

After the research was complete, we submitted the finished draft to a native Parisian, who is an expert in retailing, for comments. This external auditor (Belk, Wallendorf, and Sherry 1989; Hirschman 1986) has worked for many years in fashion retailing in Paris, and has also spent two years studying retailing in the United States. She provided extensive comments on the draft, which we then incorporated into the text. An example of her comments is contained in Exhibit 1.

Exhibit 1
Example of External Auditor Comments

Labor cost and flexibility

Employers can fire an employee with unsatisfactory performances in France, the process, however is legally tedious and takes longer. France companies cannot be as flexible as Americans.

The strong employment and social protection laws make the labor cost very expensive in France. The aim of the French companies is thus to reduce the manpower, not to keep employment.

That reduces the number of people employed for the same margin compared to the USA. Toys R Us uses 30% less manpower in French stores. Service cannot be the same.

The low labor cost in the USA gives the American stores the ability to provide a good service with a lot of manpower and the employment protection, the flexibility to reduce staffing as soon as the economic situation weakens.

Research Setting

Most of the data were collected in and around Paris as the first two authors administered their respective semester in Paris programs. On several occasions, they led field trips outside of Paris to destinations in France such as Versailles, Normandy, Brittany, the Loire Valley, and Arras. In addition, both authors made several trips on their own to other destinations in France such as Strasbourg and the French Riviera. These purchase settings also provided a small amount of data for this study. In no instance did purchase experiences outside of Paris contradict findings from purchases within Paris.

Data Analysis

Data analysis in the study was interpretive (Hudson and Ozanne 1988) and hermeneutical. Hermeneutical analysis views society as a "text" (Ricoeur 1981; Scholes 1982) and analyzes cultural artifacts, in this case the notes, photos, e-mail messages, reports, etc., as an embodiment of cultural values, beliefs, and actions. The conclusions in this study were formulated through iterative readings of this "text." These readings produced evolving categories that expanded and contracted, were solidified and modified as the research progressed. Several readings were necessary to adequately identify and extensively exemplify specific themes, weaving from those themes a coherent composite interpretation. The product of this iterative reading of the data was insight (Holt 1991; Thompson 1990) into consumer complaining behavior and the role of embedded markets in shaping that behavior.

These research methods are increasingly common in consumer research (Hudson and Ozanne 1988), and many recent consumer studies (e.g., Applbaum and Jordt 1996; Price, Arnould, and Tierney 1995) as well as consumer satisfaction studies (e.g., Swan and Trawick 1997; Wright, Larsen, and Higgs 1995) employ these methods.

MODELING THE SATISFACTION DYNAMIC IN FRANCE

Valuable as it has proven to be in explaining consumer behavior in the United States and elsewhere, the widely cited expectancy/ disconfirmation model of consumer satisfaction (Oliver 1980; Bearden and Teel 1983) embodies several cultural assumptions that have limited applicability in France. For example, it assumes

Figure 1

Being Orientation
Ingroup Orientation
High Context
Embedded Market #1
Embedded Market #2
Embedded Market # ... n
Being Orientation
Ingroup Orientation
High Context
Being Orientation
Ingroup Orientation
High Context

Satisfaction will be higher for purchases made *within* rather than *between* embedded markets

that customer satisfaction is an overriding goal of both consumers and the businesses that cater to them, something that is generally true in the United States but that is not true in France. Theodore Levitt (1975) has succinctly expressed the American point of view in his classic suggestion that a business exists or should exist to serve a customer. But as Platt (1998) has pointed out, this view is not widely held in France. The primary goal of French businesses, according to Platt, is to provide employment, not to make money or serve customers. Also, because employment costs in France are higher, there are often fewer employees to address customer concerns. So in France, the concerns of customers and shareholders tend to be less important to a business than the concerns of employees. The expectancy/disconfirmation model also assumes that complaining is a natural byproduct of dissatisfaction, but as we mentioned previously, in a society where face is very important, willingness to complain and to respond to complaints may be limited (Chiu, Tsang, and Yang 1988; Platt 1998).

Taking these and other issues into account, we derive from our data a model (Figure 1) of the precursors of customer satisfaction in the French market. We will demonstrate how the three factors identified in this model combine to explain the dynamics of customer satisfaction in France. The three variables and their sub-variables overlap, but it is useful to consider them separately as we seek a holistic understanding of customer satisfaction in France.

This model will be applied in a discussion of the following passages and others quoted below.

> Last night at the host family reception, I had quite a discussion with a number of the host families. Several of them are extremely upset at Mrs. H., our American host family coordinator. Apparently, Mrs. H. sent out a survey to the host families that contained questions that upset some of these families quite a bit. I listened to Mesdames S., Y., B., and Monsieur V. rail against Mrs. H. for forty-five minutes. Madame Y. even brought the survey and went over each item. She showed me how Mrs. H. violated several aspects of French etiquette with each question. I pointed out to her that Mrs. H. had lived in Paris for 25 years, but Madame Y. told me it didn't matter. Mrs. H. wasn't French, and was thus incapable of understanding the intricacies of French culture. Further, she told me she thought Mrs. H. didn't have any children, or at least didn't raise them in

France. Otherwise, she would have known not to ask certain questions. She suggested we get rid of Mrs. H. and hire a French person, who would be better qualified to interact with and select host families for the program. She was adamant on this point, and Mesdames S. and B. and Monsieur V. all agreed with her. I pointed out that using a survey was a standard way of gauging customer satisfaction, and that it did not seem out of line to use such an instrument. I also pointed out that others did not complain, and that they in fact liked Mrs. H. Madame Y. then suggested that since I was also American, I couldn't fully appreciate what she was saying. She assured me that a French man or woman would have never sent out the survey, and that they would have done a much better job than Mrs. H.

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I [second author] asked those few offended by the questionnaire the same types of questions as [the first author] did and received comments back along the same lines: Mrs. H is not French or French enough to do the job. One night at dinner, I jokingly referred to them as "provocateurs"...

It is my contention that these "families" would rather have a French SDF [abbreviated French for *sans domicile fixe* or "homeless" person] working for the program than an American with a Ph.D.

* * * * *

This evening in the restaurant, the waiter suggested I did not know how to eat properly because I did not order wine with my meal (I do not drink) and because I asked for my meat to be cooked *à point* (medium). He also corrected the one grammar error I made. At the end of the evening, he wished me a pleasant evening and said I shouldn't return until I learned to eat and talk like a true Parisian. Needless to say, this did not sit well with me. We had come here to relax and enjoy ourselves as a reward for a particularly hard week.

Being vs. Doing

In their humorous book *The Xenophobe's Guide to the French*, Yapp and Syrett (1996) implicitly appeal to a distinction between *being* and *doing* to describe how the French see others. The French, they suggest, believe that if you are not born French, then it does not matter who you are—you *are* not French, and your plight is, therefore, by definition, very unfortunate. Nothing you can *do* will alter your status. In a more serious book, Sartre (1943) explicitly developed this distinction, and drawing upon Sartre, Belk (1988) has applied it to explain consumer behavior. Conceived in terms of *being*, one's essence is deeply given, not in the sense that it is determined by something outside the self but in the sense that it is profoundly rooted in a social and linguistic inheritance that is constitutive of *being*. Conceived as *doing*, on the other hand, one's essence is determined by what one does or achieves, not by birth or other antecedent existential givens. Related to the *being* view is the concept of *personalization*, which means that what you can properly do (and what others can properly do to you) depends on who you are. *Doing*, conversely, is associated with *depersonalization*, which means that it is not important to know who the person is, only what she or he can do (Usunier 1996).

A focus on *being* rather than *doing* may be a sensible heuristic in relatively high context cultures such as those in France and Japan. When cultural codes are many, subtle, and widely supported, it is difficult for those who are not part of the culture to avoid giving offense by violating the tacit codes. Consciously *doing* the right thing may not be enough for one to behave properly in such cultures; *being* French or Japanese may generally be required if one is to really know the cultural code and avoid repeated violations of behavioral norms.

The passages quoted at the beginning of this section clearly exemplify the importance of *being* for the French. The host families who are critical of Mrs. H. were offended by the survey she administered to them. But in the discussion, it became clear that they were not bothered so much by the survey *per se* as by Mrs. H's inherent inability to do the right thing by the French, not

being French herself. Though she has lived in France for 25 years, that is what she has *done*, not who she *is*. No period of residence, no educational credential can ever compensate for the lack of French *being*, just as no behavior can ever deprive authentic French of this credential. The French hosts ultimately attribute the author's unwillingness to agree with their critique of Mrs. H to his also not being French. And they may be right, for being an American, he is more inclined than they to evaluate people by what they do rather than by who they are.

Likewise, when the first author visited the restaurant, the waiter judged him to be deficient in his *being*. Not being French, he was perceived to be incapable of properly eating and appreciating fine French food and of properly speaking the French language. So while the author enjoyed a very good meal--a self-gift to reward a week of hard work (a clear example of the *doing* perspective)--his enjoyment was marred by the impertinent comments of the chauvinistic waiter. And the waiter's evening was also marred by his encounter with what he perceived to be an inauthentic diner.

The dissatisfaction experienced by both the customer and the service provider in this encounter may be explained, partially, by tacit cultural norms identified by a French auditor of the study. The French see wine drinking as a kind of social obligation when one dines out. Eating establishments receive much of their margin from wine sales, so a diner who does not drink is not an asset. The expectation that one will drink is so strong that ordering a meal without the correct type of wine may be considered an insult to both the chef and the waiter. It calls for a sincere apology that the author, unknowingly, did not offer. Unlike the author and other foreigners, Parisian patrons are likely to be aware of these cultural norms. They understand that French waiters are generally poorly paid and receive only a small portion of the tip, that they, the customers, have relatively little economic power over waiters and must, therefore, be comparatively deferential. Being an American, the author's dissatisfaction in this encounter was heightened by customer service expectations formed in a relatively low context culture where norms are fewer, more explicit, and less rigidly enforced and where customers do have economic power over waiters and, consequently, generally receive deferential attention from them.

Affinity Groups

We turn now to *affinity groups*, a concept that is related to Usunier's (1996, p. 39) concepts of space and territoriality. Usunier defines space as:

> the three-dimensional expanse in which all materialistic objects are located. Let us consider that it is mainly occupied by people; more precisely, groups of people and their properties. Spaces can be physical such as a town, a county, or a country. Space can also be abstract, that is a grouping of people based on common characteristics such as education, religion, or professional associations. Space is the basis for the organizing principle of *territoriality* ... People are by nature territorial: they must define who has ownership and control over certain spaces. (Emphasis in the original)

Usunier's *space*, both in its physical manifestation and in the abstract sense of solidarity that grows out of shared proximity and shared cultural perspectives, casts considerable light upon our relationships, commercial and noncommercial, with the French. Described strictly in terms of their social relation, people who share Usunier's real and conceptual space could be labeled as an *affinity group*. For the French, membership in the affinity group tends to be decisive not only in personal relationships (where affinity also plays an important role in the United States) but also in commercial relationships (where it generally has much less importance in the United States). Mrs. H was not part of the affinity group to which all of the host families belonged. She was a transgressor upon their literal and conceptual space. Consequently, they were disinclined to see her interventions as benign. She was not qualified to "properly" place U.S. students with French families or to carry out her other duties that involved interactions with the French.

Ingroup vs. Outgroup

I bought a dryer and a color television for the

apartment today at Darty. While Darty has a reputation for good service after the sale, the service prior to the sale was terrible. The clerk would not take no for an answer when I refused to purchase the extended warranty for the products. I explained to him that the warranty didn't matter to me since I was here only temporarily and that, in a few months, I would be back in the States. Still he persisted. When I told him that warranties were just a marketing gimmick designed to separate me from a few more francs, he began a tirade on how the French don't use marketing gimmicks, only Americans, and that I was out of line in suggesting this. I was dumbfounded. Here I was about to spend 10,000 francs, and the clerk was getting mad at me! He only backed down when I said, *Ecoutez-bien, Monsieur. JE NE VEUX PAS DU TOUT DE GARANTIE! Me comprenez-vous?* (Listen closely, sir. I absolutely do not want the warranty! Do you understand me?). I hated to be rude, but he wasn't listening. He muttered something unintelligible, filled out the paperwork in silence, then threw the papers at me and walked away in a huff without saying another word. I had to ask someone else where to go to pay for and pick up the goods.

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Over dinner one night soon after my arrival in Paris I mentioned to Madame S, one of the people in Paris who lodge our students, that I needed to replace the carpeting in the apartment the university rents in Vanves, just outside the Paris city limits. I mentioned several of the larger carpet stores in Paris, but she said no, I will have a friend of mine call you. The following Monday I received a call from Monsieur L. that indicated he would come out to the apartment and give me an estimate for carpeting and installation. We set up an appointment for the next day and he arrived virtually on time. Monsieur L operates a small company that does general work around the house. Despite being interrupted every few minutes by the ubiquitous cell phone, he proceeded to take measurements and announced he would return the next day with carpet books and samples. True to his word, he returned Wednesday with samples and we agreed on carpeting and tile for the apartment. He told me he could begin work the *very next week* [nothing ever gets done that quickly in France!] and he and his co-worker arrived the following Monday, began pulling up the old carpet and by the weekend had installed new carpeting and tiling in the apartment. I had given Mr. L a key to the apartment and had no concern at all about not being there while he was at work. Madame S had told be he was 100 per cent responsible - his wife had been her housekeeper for over ten years. Finally, when the carpet installation was just about complete I asked M. L about some electrical work that I felt needed to be done. He told me he could rewire the drier and simplify the overcrowded sockets in the living room for an additional 1000 francs - but only if I paid in cash. Mr. L left me several business cards and encouraged me to call again if/when I needed painting and other work done in the apartment.

Triandis (1983) has developed a sociological distinction between the *ingroup* and the *outgroup*. An ingroup consists of people who are deemed to be loyal, trustworthy, of the same lineage, language, religion, professional society, etc. People not affiliated on one of these or some other important dimensions are viewed as outsiders, as the "outgroup." The ingroup/outgroup distinction functions in all societies, but it plays a much bigger role in some societies than in others. Cultures with a high ingroup orientation view strangers, outsiders, with suspicion and distrust. France clearly has a high ingroup orientation (Triandis 1983; Usunier 1996). As Platt (1998, pp. 63 and 72-73) pointed out,

> Interacting with French strangers in stores, shops, post offices, and banks is different. The counter separates them from you: you become Them. These Parisians tend to be hypersensitive and supercombustible. They've been compared to a hand grenade with the pin ready to come out at any moment. Which

> means they can be merciless to oafs whose intentions may be the best, but who don't get the codes right... A supermarket or department store director [manager] and his employees are in the same loyalty club. Relationships are for keeps in France. So the director always stands by his employee, who he knows and needs, against you, the customer, who is irrelevant... You, the customer, can shriek in fury all you want, the director will not hurry you off to a quiet corner and coddle you and commiserate with you. He will tell you his employee is right and you can stuff it.

In the first scenario described above, the author was clearly a stranger, Them, the outgroup. As such, he was subject to the whims of the clerk who dealt with him. (He was also unaware that sales clerks in France are often paid by commissions on extended warranties rather than on appliance sales.) The contrast with the second scenario is striking. In this second case, the second author had been referred to the carpet installer by a trusted friend, a member of the ingroup. The referral from Madame S, whom the carpet installer knows very well, admits the author, at least provisionally, to the ingroup. In deference to his friendship with Madame S, the installer treated the author well. The result of this transaction was entirely different from that with the Darty clerk: the author was completely satisfied, even delighted, with the transaction.

When the ingroup and *being* orientations are strong, an outsider may never be considered fully integrated into the ingroup (Usunier 1996). If this is the case, one must behave as a friendly but realistic outsider who is sensitive to the workings of the ingroup while recognizing that one can never be part of it. While membership in the group will never be fully extended to such a person, he or she may draw nearer to the group, gain peripheral membership, and receive better treatment from group members.

In France, customers, especially foreign customers, of large department stores and supermarkets, are by definition outsiders. Commercial transactions and issues of customer satisfaction and dissatisfaction must be examined and understood in light of this "outsider" status. Thus, while the behavior of the Darty clerk and the waiter is almost unimaginable in a low context culture such as the United Sates which has a *doing* perspective and a relatively weak ingroup orientation, it is not surprising in France.

High vs. Low Context

> Today we said goodbye to the ladies in the bakery. We have been buying our bread from them every day for the last five months (except for Mondays, when they were closed), and they have talked with us quite a bit. The older blonde woman (funny, I don't even know their names!) in particular took an interest in us. She liked serving my four children, and over the course of the semester has learned a lot about us. She always wanted to talk to us about the kids, how their schooling was going, who was visiting, about my job, etc. She always greeted us with a smile, and proudly told us that she had been serving bread to the Americans who lived in the apartment across from the bakery for 10 years now. She described several families, some I knew, some I didn't, but all of whom worked for [my university]. She always took delight in giving us the best *patisseries* [pastries] when we ordered them, and wrapped them in wrapping paper. When we ordered our *bûche de Noël* [Christmas Yule log], she made sure I knew she sold us one of her very best. We will miss these ladies, almost as much as the French bread and *patisseries*.
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> I met the bus driver, Monsieur L. for the first time during our trip to Normandy and Brittany. He was a very likeable fellow, and got along great with the students. In fact, he went out to dinner with several of them. During the many hours on the bus, I got to know more about him. It turns out that [my university] was his first major customer. He had been working as a driver for another company, and decided to go out on his own. [My university] hired him five years ago and was his first major client. During those lean years, he could always count on [my

university] to provide business. Now his business has grown dramatically, and he has more work than he can handle. He has purchased two additional buses and hired another full-time driver, and has plans to hire a third in the near future. Yet he is the one who always drives [my university's] students on their trips. He told me he has never met a student he didn't like, and all of the FMIRs [faculty members in residence] have been extremely *sympa* [congenial, likeable]. He started telling me stories about previous FMIRs, some of whom I knew, others of whom I didn't, and he was delighted to be able to make a common connection with me.

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Tonight we had dinner with A and F, two of my former students, who are French, and who work in the Paris region. We talked about many things... F told me that when the group of students from [a partner French university] were in the states, they could not believe you could actually buy and return something to a big retailer, no questions asked. F told me this was unthinkable in France, that the department store did not trust customers to act fairly, and the customers did not trust the department store. F is a manager at [a large French sports retailer], and he assured me that French customers tried to cheat him all the time, and that he was suspicious of everything they did when trying to return goods. He told me that in Latin countries, like France, Italy, and Spain, there is an adversarial relationship between the retailer and its customers. Neither trusts the other. As a manager, he assured me he has caught many customers trying to put something over on him. He said he thought Americans were more honest in their dealings with retailers, and told me the following story. When the above mentioned group of students came to the U.S., three of them bought TVs and stereos from the local Wal-Mart for their dorm rooms. Every two months, they returned the TVs and stereos, got their money back, and then bought another TV and stereo on the same day. At the end of the semester, they returned the products and pocketed the money. Thus they had full use of the goods for a whole year without paying for it. That, F told me, is how Latin consumers operate. That, according to F, is why retailers are so wary of them.

Before engaging in commercial transactions with foreigners or other strangers, people in many cultures require information about them. They have to put the strangers in "context," that is, know something *about* the customers so they know how to react *toward* them. Hall (1976) refers to this information as *context*. Context is the information that must surround an event or a transaction, and context is intricately bound up in the meaning of that event or transaction. It is possible to order cultures along a continuum from low to high context. The United States is relatively low in context, France relatively high (Hall 1976; Platt 1998; Usunier 1996). In high context cultures, customers and merchants must be familiar with and know each other, even if they have no other social interactions. A long-term relationship must be established, which engenders trust and loyalty. Without this relationship, no trust or loyalty exists. This pattern exists in France. In instances where the local merchants knew the faculty of our university, they treated them well and provided excellent, even exceptional, customer service. The first author, having his wife and four children with him in France, shopped daily at the bakery across from his apartment and spent between 50 and 100 francs on each visit, a considerable sum over four months. He and his family were thus able to develop a relationship with the personnel at the bakery and receive special attention from them.

Retail scale is one factor that makes consumer shopping experiences in the French retail system high context, as our external auditor notes:

> Retail mass market vs. *petit commerce*. Even if Paris is a huge market and welcomes millions of visitors every year, it is not a mass market, at least in the U.S. sense of the term. The retail distribution is mostly made up of specialized stores and boutiques instead of large chain stores. Large chain stores do exist, but they are the exception, not the rule. The Parisian market is based on numerous

"Mom and Pop" shops. As you correctly observed, it is easier for a small shop owner to assess customer profitability and make retention decisions on the spot.

The importance of context and scale was apparent in our dealings with Monsieur L, another small business owner, who also took a deep interest in the authors' university. He asked one of them for a baseball cap with the name of the university on it so he could wear it when meeting and driving the different student groups each semester. Because he was so devoted to the interests of his long-standing client, the FMIRs felt well served and entirely satisfied in their commercial interactions with him. As these encounters indicate, building a high context relationship with local merchants gains one partial or full admission to the ingroup. Service providers and customers who have built a relationship feel a sense of mutual obligation. Where no relationship exists, both are inclined to ignore the interests of the other party, even exhibiting blatant opportunism as did the visiting students who scammed Wal-Mart.

One reason high-context relationships and ingroup membership are so important in France may be the view the French have of strangers. "Stranger means danger in French," says Platt (1998, p. 30). Having experienced a long history of wars, invasions, and plagues spread by strangers, the French have developed a strong aversion to strangers. They have come to think of human nature as being basically evil. And as Kluckhohn and Strodtbeck (1961) pointed out years ago, cultures that view human nature as being basically evil will be wary of strangers. Consistent with these views, friendships in France take a long time to develop because of initial distrust between people, who begin their relationships "like dogs barking at each other before socializing" (Usunier 1996, p. 68). However, the friendships that do develop over time in these high-context, high suspicion cultures tend to be deeper and longer lasting that those formed in low-context cultures (Hall 1976). The same is true for commercial relationships.

DISCUSSION

Coming as they do from a commercial culture in which customer satisfaction is an almost universal business obsession and in which the phrase "the customer is always right" is a cliché, the authors were frequently struck by the very different orientation of most French business people. Platt (1998, p. 72) was similarly struck when she experienced an unforgettable example of the contrast between the two commercial cultures while trying to enter a store and make a purchase in Paris.

> A young clerk in a white smock was standing on a stepladder, blocking the customer's turnstile entrance. He was trying to hang a poster advertising yogurt on a chain from the ceiling. He had trouble with it. A second clerk joined him, on another stepladder. I was in a hurry, but, a battered customer aware of my lack of rights, I waited in silence. Other docile, silent Parisians behind me in the line were conceivably also in a hurry. I waited about seven exasperating minutes before I couldn't bear it any longer.
>
> Finally, I said to the first clerk very quietly, very politely, "Do you think you could come down—just for a moment—and let us through?"
>
> "No," he said, rather rudely. "Can't you see I'm busy?"
>
> "But—I'm in a hurry!" I said, astonished.
>
> "You'll have to wait!"
>
> "But the customer," I blurted out. "Doesn't the customer mean anything here?"
>
> And then he said—he actually said, "The customer comes last here!"

Once again, such a statement is inconceivable in the commercial culture of the United States, and it leads to an obvious question: how do French businesses survive this behavior? Surely, an American business that displayed such contempt

for its customers would soon be left without a clientele. Competitors would move in without delay to take away customers who would, in any case, be aggressively seeking an alternative vendor.

Should American businesses view France as a seriously under served market? Building upon points we made earlier in the paper and introducing one new concept--embedded markets--we conclude with a discussion of the reasons why French businesses may be much better positioned to compete than they at first glance appear to be and why they may, indeed, have something to teach businesses in the United States.

The key thing to note about French businesses is that they are protected from outside competition by their location in French space, using the term space in both Usunier's (1996) literal and his figurative senses. To operate in France, one must literally enter French space, and to do so is to face many of the same constraints that have helped make French businesses what they are. Of great importance is Platt's previously mentioned observation that the primary goal of French businesses is to provide employment, not to make money or serve customers. This emphasis on employment leads, our Parisian auditor notes, to an attitude toward work that is very different from that typically found in the U.S. and manifested in Platt's response to the employee hanging signs. In French culture, people at work deserve respect and should not be disturbed, even if what they are doing inconveniences a customer. The work is an end in itself, not merely a means to the end of customer satisfaction. This focus on employment and on work as an end in itself reflects a history of state ownership and heavy labor market regulation, a history that has made many French businesses more responsive to the hierarchical state's concern for social stability than to the marketplace and its emphasis on shareholder profit and customer service. New businesses perceived by the state to be insufficiently concerned with social goals can expect insurmountable obstructionism from powerful bureaucrats. And employees hired in this production oriented labor market are likely, no matter what their training, to claim the same prerogatives and exhibit the same employee ingroup attitudes that are apparent in the negative commercial encounters we have reported in this paper. While employers can fire employees for unsatisfactory performance, the process is mired in red tape and takes much longer than it does in the U.S., so French companies simply cannot be as aggressive or flexible as U.S. companies in their labor relations. Moreover, should a business succeed in establishing a strong customer orientation among employees, it might discover that exceptional customer service is unprofitable in a mass market where consumer opportunism is rampant. (In its interactions with the French students, Wal-Mart's generous customer service policies clearly caused it to lose money.)

But this is not the whole story, for businesses in France also operate in French space in Usunier's (1996) more figurative sense of space as a horizon of shared experiences, assumptions, and relationships. Within this more abstract French space, customer service and consumer satisfaction frequently attain levels substantially higher than those typical in the United States. The carpet laying and tour bus transactions mentioned above are examples as is the following instance of business socializing:

> Tonight, [my wife] and I had dinner with Monsieur and Madame R. The entire evening was awe-inspiring. Monsieur R. smokes a lot, and I wasn't looking forward to spending an evening in a smoke-filled room. However, these fears were soon dispelled as we approached their apartment. They lived just off of the Avenue des Champs Elysées, in an apartment that cost five million dollars if it cost a cent. It was *huge*, and very ornately furnished, with lots of *authentic* paintings hanging on the walls. I literally dropped my jaw, as the crab Sebastian does in the Disney's movie *The Little Mermaid*, when I saw the furnishings... The dinner was spectacular. The table was set better than any table I have ever seen before, with real china and real silver and lots of plates and glasses. There were plates and glasses galore! The plates were stacked one on top of another. We started out with the appetizer on the small plate, the salad on a slightly larger plate, the *entrée* on an even larger plate, and, on the biggest plate of all, dessert. Madame R. cooked perhaps the best meal I have ever

> eaten... As a host and hostess, they were extremely gracious. They assigned us seats, and always served my wife first... We were treated like royalty... After dinner, we moved into yet another huge room for drinks and talk... Monsieur and Madame R. really "wowed" both of us tonight, which is surprising, because they don't really know us. I may have spoken to Monsieur R. for a grand total of one hour prior to tonight... We have never experienced anything like that. Sure, we have eaten in expensive restaurants, but this was someone's home. I doubt if we will ever have another dinner like that again any time soon. Monsieur R. has been teaching for [my university] for a long time now, and really enjoys entertaining the visiting faculty. I could see them react with delight at our astonishment at their apartment and meal. They were enjoying the evening as much as we were.

In this episode, the author was very pleasantly surprised by the quality of the entertainment put on by his business acquaintance. Since he didn't know Monsieur R very well, he didn't anticipate any special consideration. But Monsieur R views him as an integral part of a critical affinity network. The evening's entertainment is part of the Frenchman's ongoing effort to preserve and extend his relationship with the author's university, an institution that is important to Monsieur R. The author receives consideration that is far beyond what his minimal acquaintance would warrant because he is Monsieur R's current link to a long-standing, institutional affinity network, not just a passing individual acquaintance.

This passage and those we have previously cited indicate that the most satisfying commercial transactions in France occur within embedded markets. Frenzen and Davis (1990; cf. Frenzen and Nakamoto 1993) use the term "embedded markets" to specify markets in which social relations alter market operations, making factors like mutual trust and obligation as important or more important than the purely economic attributes of price and quality. In an embedded market, members of an affinity group build strong bonds of trust and, through mutual favors, a pool of social capital (Blau 1964; Coleman 1988; Wright, Larsen, and Higgs 1996) on which each can draw to ease the rigors of the pure market. The Parisian marketplace we have described consists of a series of embedded markets where social capital is just as important as money and where, consequently, transactions can be difficult and unsatisfying for members of an outgroup but deeply satisfying for ingroup members. The critical point is that ingroup members can be served so assiduously precisely because resources of time and attention need not be expended on outgroup members. This focus on the most valuable customers is all the more important because high employment costs limit staffs and, hence, the customer service capacities of French retailers.

We mentioned earlier that American businesses may have something to learn from the French. Because of the nature of the French retail distribution system, it is arguable that French businesses have been doing for a long time something that American retail businesses are just beginning to do: segmenting markets into customers with high and low lifetime value and concentrating the bulk of the service effort on the customers with high lifetime value. In the United States, customer service policies seem to reflect a mistaken presumption that each customer has a high value to the business. Thus, each customer must receive a high standard of customer service. Built into this policy is the likelihood that the businesses' most opportunistic and worst customers will free ride on revenues generated by the best customers. And the best customers will receive good but not exceptional attention because customer service resources are exhausted in a broad quest for excellence.

In France, on the other hand, customer service practices reflect a presumption that only a few customers have exceptional lifetime value for the business. *En masse*, customers are generally treated with indifference or suspicion. They are not worthy of particular deference because they have not proven their worth. But over time, customers who have exceptional value to the business are identified and become part of the businesses' affinity network. As they become part of an embedded market, they receive truly exceptional service. If free riding occurs, it is they, the most valued customers, who receive attention at the expense of outgroup interlopers

who must settle for what they can get. As American retailers and other businesses master the use of marketing databases and acquire the ability to track customer value, it is likely that they will begin to focus more assiduous attention on customers who have high lifetime value at the expense of customers who have low or negative value to the business. And as they move in this direction, they will increasingly come to resemble their French counterparts.

The buying experiences reported in this paper have been predominantly negative. This is not surprising. Though the first two authors spent large amounts of money in Paris, they did so as foreigners, as outsiders, who made most of their purchases *across* rather than *within* embedded markets. Since they were in France only temporarily, they had little chance to acquire personal status within affinity networks. Such status as they did have was in their capacity as representatives of their university. As one would expect in light of our analysis, their positive commercial experiences also tended to occur within the institutional affinity network that has been established over the years by their university. As university functionaries, they had high lifetime value for some of the businesses with which they dealt. Their purely personal purchases, on the other hand, were generally unsatisfying because there were no social bonds or obligations impelling commercial partners to take their best interests into account. Consequently, their experiences produced disbelief, incredulity, anger, rage, and, ultimately, cynicism, resignation, and then insight.

Much as they have been frustrated by their experiences shopping for themselves and others in France, the authors recognize that many of the French vendors they dealt with may have been well served by their commercial culture. Accents and unfamiliarity accurately marked the authors as outsiders, as temporary visitors, who have relatively small lifetime value compared with the vendors' French countrymen. Should the authors become frequent visitors or permanent residents of France and deal regularly with a small set of French businesses, they could expect, over time, to receive in their personal purchases the kinds of devoted and deferential attention they sometimes received as university representatives.

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CATHARTIC COMPLAINING AS A MEANS OF REDUCING CONSUMER DISSATISFACTION

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ABSTRACT

Though catharsis (venting) plays a major role in psychotherapy, and has been reported to be the single most common reason for complaining in social interactions (Alicke et al. 1992), the effects of venting in consumer complaining situations has not previously been studied. An experiment conducted to test the effects of complaining by dissatisfied consumers on changes in consumer satisfaction, perceived product performance and purchase intention found that though complaining tends to cause decreased satisfaction in the short run, it increases satisfaction in the long run. The study also found that complaining benefits both the highly dissatisfied as well as the moderately dissatisfied individuals. The role of intensity of complaining in influencing the resulting improvements in satisfaction was also investigated.

INTRODUCTION

For a long time now, marketers and academicians have known that consumer complaints are invaluable as a form of consumer-initiated market information that can be used to make strategic and tactical decisions (Kasouf, Celuch and Strieter 1995). By effectively responding to complaints, marketers can prevent customers from switching (Fornell and Wernerfelt, 1987). All of this led Plymire (1991) to argue that "the surest road to a customer-focused culture is through increased complaints." These benefits of complaining alluded to in the above statements are indirect benefits of complaining. The unhappy customer complains, which then leads the marketer to respond in a way that makes the customer less dissatisfied. However, can the act of complaining by itself help improve product evaluations, reduce dissatisfaction and increase future purchase intentions?

Richins (1980) noted that one of the psychic benefits of complaining is that it gives disgruntled consumers the opportunity to vent anger and frustration (also see Kolodinsky and Aleong 1990). She found evidence that suggested that dissatisfied consumers complain to avoid the guilt they would otherwise experience by not complaining. Oliver (1987) has suggested that complaining is a dissonance releasing activity. Halstead and Page (1992) have attributed the positive relationship found between complaining and repurchase intention in the TARP (1979) studies to complaining induced reduction of the dissonance caused by product dissatisfaction. Kowalski (1996) suggested that one of the most common functions of complaining is to provide individuals a means of venting their frustrations and dissatisfactions, a fact empirically supported by the findings of Alicke et al. (1992) who found that the single most commonly reported reason for complaining in social interactions was to vent negative feelings. Venting as a function of complaining, is only now becoming the focus of research in psychology and marketing.

VENTING AND SELF-DISCLOSURE

Venting has been defined in the Webster's New World Dictionary as "to relieve or unburden by giving release or expression to feelings". Upsetting or stressful events tend to induce a subjective sense of pressure, of something being bottled up, and individuals subject to such pressure tend to be preoccupied with their internal states, and this preoccupation tends to be reflected in their speech (Stiles 1987). However, when individuals attempt to suppress expressing their feelings of distress/ dissatisfaction, it could lead them to reflect upon the causes of their dissatisfaction, which in turn could help maintain or even increase their dissatisfaction (Kowalski 1996). Pennebaker and associates have found that failure to confide in others about traumatic events is associated with increased stress and long term health problems (Pennebaker and Beall, 1986; Pennebaker, Hughes and O'Heeron 1987). It has been suggested that cathartic complaining reduces the feelings of distress by freeing individuals from ruminating about the causes of their dissatisfaction (Kowalski 1996). Kowalski, Cantrell and VanHout (1996) found that low propensity complainers felt better about a source of dissatisfaction after they had written about the dissatisfaction. Nyer (2000)

found that compared to dissatisfied consumers who could not complain, consumers who complained evaluated the consumption experience more positively. Catharsis and self-understanding are the major benefits of disclosure in psychotherapy and the percentage of disclosure in patient speech has been shown to be highly correlated with experts' impressions of good therapeutic progress (Stiles McDaniel and McGaughey 1979). According to the fever model of disclosure, higher levels of psychological distress lead to higher levels of disclosure and the higher level of disclosure helps reduce distress through catharsis and by encouraging self-understanding (Stiles 1987; Stiles, Shuster and Harrigan 1992).

Complaints and negative word-of-mouth behavior may be motivated by a desire to seek redress or to inform other potential customers (for example Day 1980). Such instrumental complaints (Alicke et al. 1992) are explicit attempts to change certain situations. However many complaints, especially negative word-of-mouth tend to be non-instrumental in nature. They may be motivated by other desires such as to obtain emotional release, to regain some semblance of control over a distressing situation (Alicke et al. 1992; Stilwell and Salamon 1990) or even to gain sympathy (Kowalski and Erickson 1997). Individuals may also voice their dissatisfaction to convey to others that they have high standards and thereby make themselves look superior (Jones and Pittman 1982), or to obtain sympathy and make excuses for behavior that falls short of expectations (Weiner 1992). Of the various reasons individuals have for complaining, the desire to vent frustration was by far the most commonly reported reason for complaining in social interactions (Alicke et al. 1992).

With the exception of Kowalski, Cantrell and VanHout (1996) and Nyer (2000), there very little empirical evidence in the marketing or psychology literature pointing to the effectiveness of complaining/ venting in increasing product evaluations, and reducing dissatisfaction, anger and frustration. Despite the deep-rooted belief that psychotherapists have in the effectiveness of disclosure by their clients, the evidence for its effectiveness is inconsistent or negligible (see Orlinsky and Howard 1986; Stiles 1987).

While the evidence for the beneficial effects of catharsis/ disclosure is mixed, there is evidence suggesting that disclosure may cause a short-term *increase* in negative evaluations and emotions. Pennebaker (1990) found that in the short run, subjects who wrote about their traumatic experiences reported feeling sadder and more upset than those who wrote about superficial topics. These increased negative feelings dissipated after an hour or two and in rare cases after a day or two. Nyer (1997) reported that subjects who were given a chance to express their feelings about a dissatisfying product experienced higher levels of anger than subjects who were not explicitly given a chance to express their feelings. These findings are in line with Lazarus' model of coping, which suggests that anger is facilitated when the potential to cope through attack is appraised favorably (Lazarus 1991). Complaining and negative word-of-mouth can be viewed as one way by which dissatisfied consumers cope by 'attacking' the marketer. Therefore, it seems logical to believe that complaining will lead to a short-term increase in dissatisfaction and that this increased dissatisfaction will dissipate after a few days.

However, can non-instrumental complaining (i.e. complaining that is not directed at specifically changing the distress-causing situation) lead to increased product evaluations, reduced long-term dissatisfaction, and increased purchase intentions by facilitating the venting of dissatisfaction, anger and frustration? As mentioned earlier, the desire to vent frustration and anger was the single most frequently reported reasons for complaining in social interactions (Alicke et al. 1992). This finding leads one to suspect that the subjects participating in the Alicke et al. study had in the past experienced the beneficial cathartic effects of complaining, thereby leading to their belief in the effectiveness of venting.

If one were to assume that non-instrumental complaining has the effect of increasing product evaluations, reducing long term dissatisfaction, and increasing purchase intentions through catharsis, a few questions remain to be answered. First, will the beneficial effects of complaining be more for highly dissatisfied individuals compared to those who are only moderately dissatisfied? Second, will the beneficial effects of complaining depend on the intensity of the complaints? Stiles' (1987) fever model of disclosure suggests that the benefit of

cathartic disclosure depends on the extent and depth of the disclosure, which in turn depends on the intensity of the accompanying affect.

HYPOTHESES

Based on the preceding review, it is hypothesized that:

H1. Compared to dissatisfied subjects who do not complain, dissatisfied subjects who complain will initially experience lower levels of perceived product performance, satisfaction and purchase intention.

H2a. Compared to dissatisfied subjects who do not complain, dissatisfied subjects who complain will experience higher levels of perceived product performance, satisfaction and purchase intention after two weeks.

H2b. Compared to dissatisfied subjects who do not complain, dissatisfied subjects who complain will experience larger increases in the levels of perceived product performance, satisfaction and purchase intention between the initial measurement and the measurement taken two weeks after the complaining behavior.

As mentioned earlier, Pennebaker (1990) had discovered that it took hours and in some cases a few days for the short term increase in dissatisfaction caused by complaining to dissipate. Therefore, the beneficial effects of complaining can be found after a few days at the latest. However, the time-period between the two sets of measurements had to be long enough to reduce the possibility that subjects would base their second responses on the recollection of their previous responses. For this reason, hypotheses H2a and H2b specify a two-week period between the complaining episode and the second set of measurements.

H3. Subjects' initial dissatisfaction levels will moderate the effects complaining will have on increasing the levels of perceived product performance, satisfaction and purchase intention such that among complainers the more dissatisfied individuals will show greater increases in perceived product performance, satisfaction, and purchase intention than those who are only moderately dissatisfied.

H4. The beneficial effects of complaining on perceived product performance, satisfaction and purchase intention will be influenced by the intensity of complaining.

METHODOLOGY

Subjects were 128 undergraduate students who were recruited from various computer laboratories at a large midwestern university and were paid $10 each to participate in this study. The subjects were also entered into a drawing to win two $100 cash prizes. The cover story was that these subjects would be assisting the researcher in evaluating various computer models that were being considered for purchase for the university computer labs. The university, the cover story went, was interested in getting feedback from the students before making a commitment. Since the experiment was conducted over a period of two weeks, all instructions and manipulations were put down on paper to ensure uniformity across the 128 sessions.

Subjects were randomly assigned to one of four groups in a 2 (initial dissatisfaction - medium, high) x 2 (complaining potential - high, low) full factorial experimental design. They were seated in front of one of a few IBM compatible personal computers that had all brand markings covered. Subjects were then given a letter purportedly from the university computer service that repeated the cover story. The letter attempted to make the computer evaluation relevant to the subjects by pointing out that the expensive computers were being purchased with money from student tuition, and that the new computers would be purchased soon. Cognitive models of emotion suggest that the relevance of an emotion-evoking situation is a major determinant of the intensity of the resulting emotion (Lazarus 1991, Scherer 1984). For example, given that the computer's performance is perceived as being poor, the more relevant the computer is to the subject, the stronger will be the resulting negative emotion. Pilot studies had indicated that this manipulation was very effective

in evoking strong emotional responses.

Subjects were then familiarized with a benchmark software that was designed to look and sound like commercially available computer benchmark programs. The program, they were told, evaluated the overall performance of the test computer in running software programs that were commonly used by students. The benchmark program compared the performance of the test computer to those of other computers installed recently at other universities. The performance of the test computer was displayed as a percentile score, both numerically and graphically.

Subjects' initial dissatisfaction with the computer was manipulated through the results of the benchmark program. Depending on the experimental group to which the subjects were assigned, the benchmark software either indicated a percentile score around 53 (medium performance- moderate dissatisfaction) or 27 (low performance – high dissatisfaction). Subjects were then handed a feedback form which either included instructions to the subjects to express their feelings, thoughts, complaints, compliments or comments about the test computer (manipulation of high complaining potential), or contained instructions to the subjects to write about their past experience with various computer operating systems (low complaining potential). Subjects were given three minutes to complete the task, after which they were given a questionnaire that included measures of satisfaction/ dissatisfaction, perceived product performance and purchase intention. On completion of this task, subjects were paid and informed that they might be telephoned two weeks later for follow up questions.

Exactly two weeks from the day of the initial data collection, subjects were telephonically administered the follow up questionnaire which included measures of satisfaction/ dissatisfaction, perceived product performance and purchase intention. Subjects who were unavailable on the 15th day were called over the next three days until they were contacted. Five subjects who could not be contacted by the 18th day were dropped from the study reducing the effective sample size to 123.

Measures

Satisfaction/ dissatisfaction was measured using three unipolar 9-point scales anchored on the words *satisfied, dissatisfied* and *contented*. Oliver's (1989) conceptualization of contentment as a satisfaction prototype led to the development of the contentment scale. These measures have previously been tested for validity and reliability (Nyer 1997). Perceived product performance was assessed using three bipolar 9-point scales anchored on the words *very high-very poor*, *superior-inferior* and *very good-very bad*. Subjects were asked to indicate whether they would consider purchasing the test computer if they were in the market for a personal computer. Responses were measured on two bipolar scales ranging from *definitely yes* to *definitely not*, and from *very likely* to *very unlikely*. The intensity of complaints in the comments written by the subjects in the high complaining potential conditions were independently coded by two associates. On a seven-point scale, 0 represented no complaint and 6 represented the highest level of complaint. Further, the comments were examined to determine whether the complainer attributed the poor performance of the computer to any particular entity.

ANALYSIS

The dependent variables were tested for reliability and discriminant validity. The Cronbach α for all the scales exceeded 0.80. Scales for the dependent constructs were formed by averaging the scores of the multiple indicators of that construct. The means of the dependent variables for all the experimental conditions are shown in table 1. The manipulation of initial dissatisfaction was assessed using the initial satisfaction ratings which indicated that the manipulation was very successful; $F(1, 121) = 279.43$, $p = 0.00$ with the means of satisfaction in the high and medium dissatisfaction conditions being 2.35 and 4.28 respectively. 78% of the subjects in the high complaining potential groups complained to some degree.

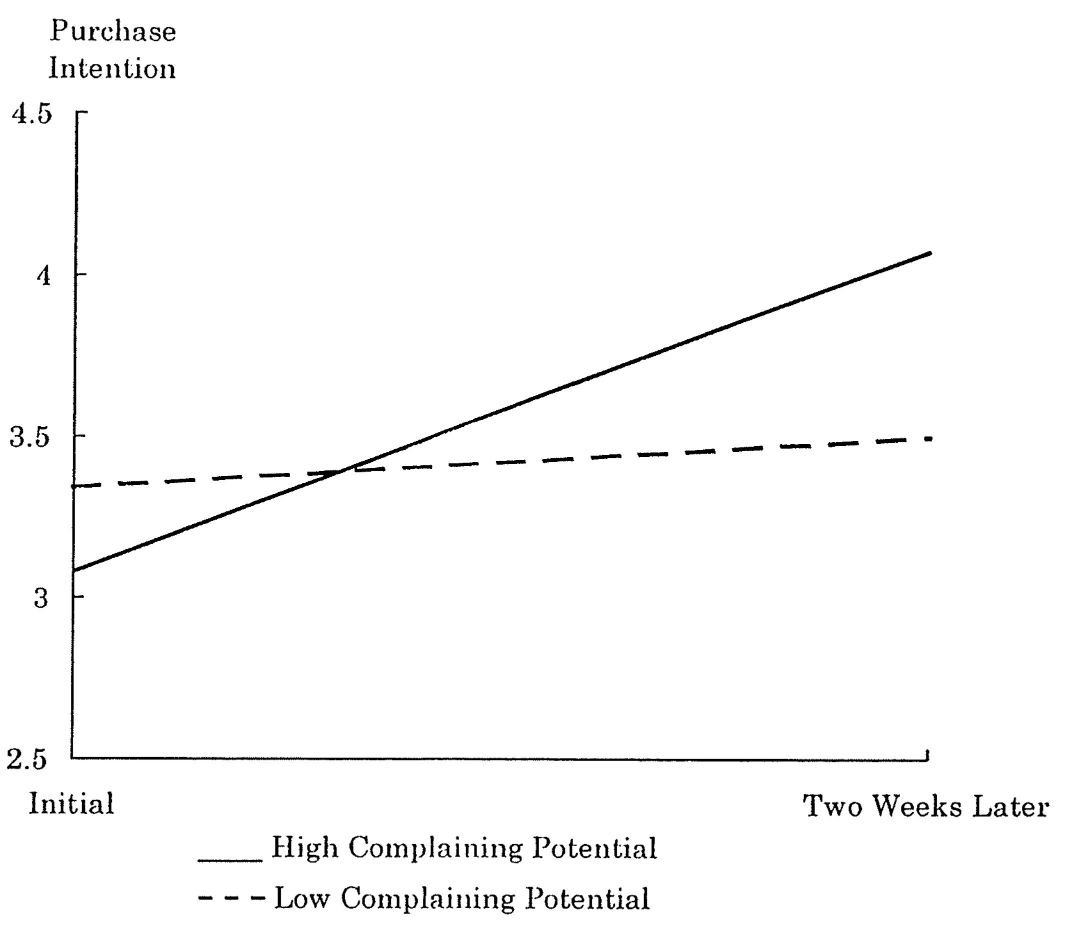
Among the 44% of the subjects in the high complaining potential condition who made attributions for the negative outcome of the test, all pointed to the incompetence of the personnel at the

Table 1
Means of Satisfaction, Perceived Performance and Purchase Intention

Manipulations	Satisfaction High Comp	Satisfaction Low Comp	Perceived Performance High Comp	Perceived Performance Low Comp	Purchase Intention High Comp	Purchase Intention Low Comp
High Initial Dissatisfaction	2.28, 3.17	2.42, 2.54	2.27, 3.29	2.68, 2.60	1.98, 3.28	2.39, 2.69
Moderate Initial Dissatisfaction	4.21, 4.80	4.35, 4.43	4.02, 4.63	4.32, 4.36	4.22, 4.90	4.30, 4.41

High Comp and Low Comp refer to high and low complaining potential conditions. The two numbers within each cell are the measurements taken initially and after two weeks.

Figure 1
Effect of Complaining on Purchase Intention



university's computer center. As discussed later, this information is significant in that it eliminates some of the competing explanations for the effects found in this study.

Hypothesis 1

Multivariate analysis of variance (MANOVA) conducted on the dependent variables measured soon after the manipulation of complaining

potential indicated that contrary to the hypothesis, the subjects in the high complaining potential group did not report significantly lower levels of perceived product performance, satisfaction and purchase intentions compared to subjects in the low complaining potential condition (see Figure 1 for a representation of the effect of complaining on purchase intention). The means for the three variables in the high and low complaining potential conditions and the corresponding F statistics from univariate analysis of variance (ANOVA) were: PERF1 (3.13, 3.50; $F(1,121) = 2.24$, $p = 0.14$); SAT1 (3.23, 3.39; $F(1,121) = 0.58$, $p = 0.45$); and INT1 (3.08, 3.34; $F(1,121) = 0.89$, $p = 0.35$). The numerical suffix after the variable label has been used to distinguish the variables measured at the initial data collection from those measured two weeks later. For example, SAT1 refers to the initial satisfaction measurement while SAT2 refers to the satisfaction measurement made two weeks later. Similarly, the PERF and INT variables refer to perceived product performance and purchase intention respectively.

Hypothesis 2a

MANOVA conducted on the satisfaction, perceived performance and purchase intention scores measured two weeks after the initial data collection indicated that, as hypothesized, subjects in the high complaining potential conditions experienced higher levels of all three variables compared to subjects in the low complaining potential conditions (see Figure 1 for a representation of the effect of complaining on purchase intention). The means for these three variables in the high and low complaining potential conditions and the corresponding F statistics from univariate ANOVA were: SAT2 (3.97, 3.48; $F(1,121) = 4.08$, $p = 0.05$); PERF2 (3.95, 3.48; $F(1,121) = 2.86$, $p = 0.09$); and INT2 (4.08, 3.55; $F(1,121) = 3.17$, $p = 0.08$).

Hypothesis 2b

To test the hypothesis that complaining could lead to increases in perceived performance, satisfaction and purchase intentions, three new variables representing the changes in perceived performance, satisfaction and purchase intentions over the two week period were computed and were labeled ΔSAT, ΔPERF and ΔINT (e.g., $\Delta SAT = SAT2 - SAT1$). MANOVA done on these new variables indicated that as hypothesized, subjects in the high complaining potential condition experienced larger changes in satisfaction, perceived performance and purchase intentions compared to subjects in the low complaining potential condition. The means for the three difference variables in the high and low complaining potential conditions and the corresponding F statistics from univariate ANOVA were: ΔSAT (0.75, 0.10; $F(1,121) = 12.27$, $p = 0.00$); ΔPERF (0.82, -0.02; $F(1,121) = 23.79$, $p = 0.00$); and ΔINT (0.99, 0.20; $F(1,121) = 16.31$, $p = 0.00$).

Hypothesis 3

Data from the subjects in the high complaining potential conditions were used to conduct MANOVA to test for the effects of the intensity of initial dissatisfaction on the three difference variables ΔSAT, ΔPERF and ΔINT (described in the previous section). As hypothesized, subjects in the high initial dissatisfaction condition (who experienced lower product performance) reported larger increases in satisfaction, perceived performance and purchase intention compared to subjects in the moderate initial dissatisfaction condition. Univariate ANOVA results indicated that except in the case of ΔINT, these differences were not significant. In other words, complaining led to increased satisfaction, perceived performance and purchase intention for both subjects in high and medium initial dissatisfaction conditions (see Figure 2) and the difference across the two conditions were not significant except for the change in purchase intention. The means for the three difference variables in the high and medium initial dissatisfaction (i.e. low and medium product performance) conditions and the corresponding F statistics were: ΔSAT (0.89, 0.60; $F(1,121) = 0.93$, $p = 0.34$; ΔPERF (1.02, 0.61; $F(1,121) = 2.67$, $p = 0.11$); and ΔINT (1.30, 0.67; $F(1,121) = 6.83$, $p = 0.01$).

Hypothesis 4

To test hypothesis 4, step down analysis using

Figure 2
Effect on Satisfaction of Complaining by Subjects with High and Moderate Initial Dissatisfaction

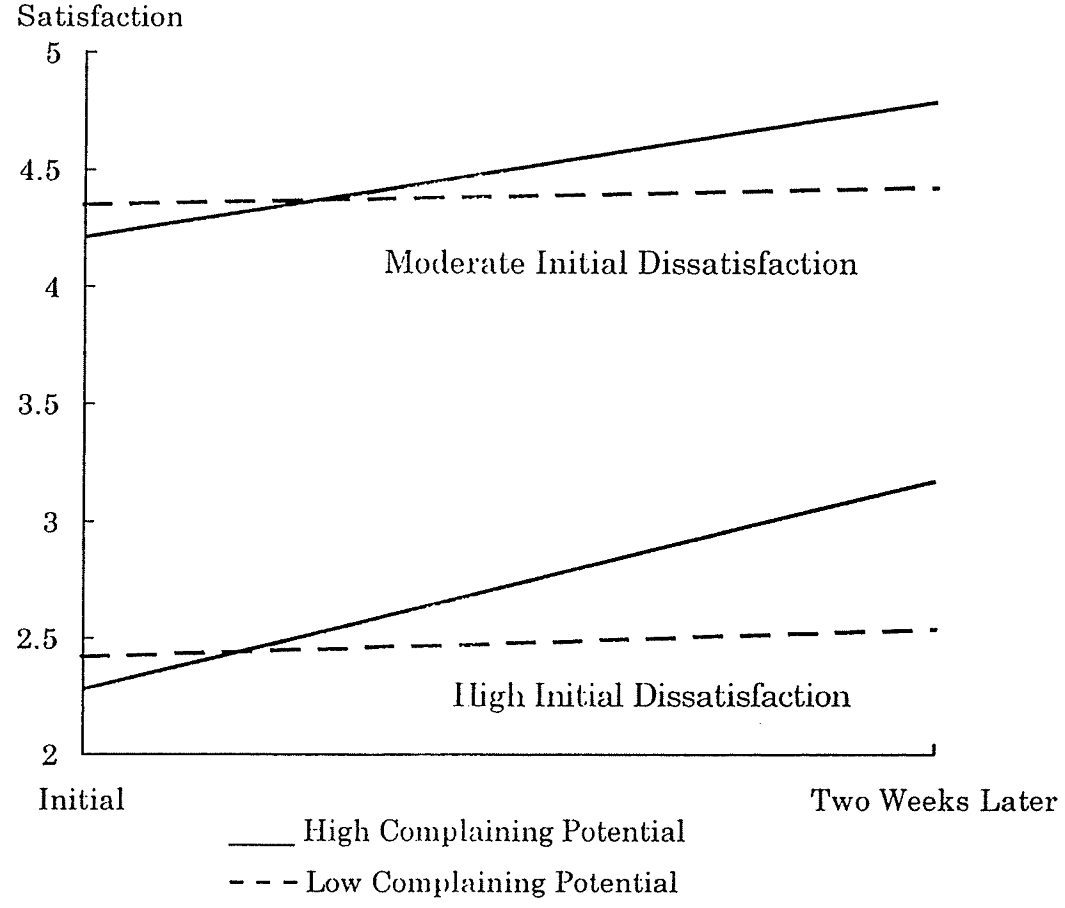


Table 2
Step-Down Analysis (p values of multivariate F-test statistic)

Experimental Effect	Step 1 Dependent Variables Δ, CI; Covariate None	Step 2 Dependent Variables Δ; Covariate CI	Step 3 Dependent Variable CI; Covariates Δ
Complaining Potential	0.00	0.32	0.00
Product Performance	0.19	0.22	0.78

Note: Δ refers to the variables ΔSAT, ΔPERF and ΔINT, which represent the change in satisfaction, perceived performance and purchase intention. CI denotes COMPINT - complaining intensity.

multivariate analysis of variance (MANOVA) was conducted (see Bagozzi and Yi 1989 for details of this technique). To establish that intensity of complaining influences the beneficial effects of complaining on perceived performance, satisfaction and purchase intention, the following steps have to be undertaken. First, the experimental manipulations should be shown to have significant effects on the dependent variables ΔSAT, ΔPERF, ΔINT and COMPINT where COMPINT is the complaining intensity score. Second, the experimental manipulations should be shown to

Table 3
Regression Analyses

Ind. Variable		Dependent Variables	
COMPINT	ΔSAT	ΔPERF	ΔINT
β	0.49	0.36	0.39
R^2	0.24	0.13	0.16
Adj. R^2	0.22	0.12	0.14
F (1,57); p	17.66; 0.00	8.58; 0.01	10.47; 0.00

Note: ΔSAT, ΔPERF and ΔINT represent the change in satisfaction, perceived performance and purchase intention. COMPINT is complaining intensity.

have no significant effects on ΔSAT, ΔPERF and ΔINT once the effects of COMPINT have been covaried out. Finally, the experimental manipulations should be shown to have significant effects on COMPINT even after the effects of ΔSAT, ΔPERF and ΔINT are covaried out. This final step is used to eliminate the alternative model where complaining intensity is caused by (rather than be the cause of) ΔSAT, ΔPERF and ΔINT. As indicated in Table 2 that summarizes the results of the step-down analysis, the above three conditions were satisfied, thereby providing support for hypothesis 4.

To further quantify the effects that complaining intensity has on changes in perceived performance, satisfaction and purchase intention, data from the subjects in the high complaining potential condition were used to run regression analyses with ΔSAT, ΔPERF and ΔINT as dependent variables and COMPINT as the independent variable. The results (see Table 3) indicate that COMPINT accounts for significant variance in the complaining induced change in perceived performance, satisfaction and purchase intention.

DISCUSSION

Hypotheses 2a and 2b that examined the effectiveness of complaining in increasing perceived product performance, long-term satisfaction and purchase intention received strong empirical support. As hypothesized, subjects in the high complaining potential groups reported significantly higher levels of satisfaction, perceived performance and purchase intention after two weeks compared to subjects in the low complaining potential conditions. Thus, even though high complaining potential and low complaining potential subjects experienced statistically similar levels of initial satisfaction (M= 3.23 vs. 3.39), after two weeks the high complaining potential subjects experienced higher levels of satisfaction (M=3.97) compared to the low complaining potential subjects (M=3.48). In other words, high complaining potential subjects exhibited significantly higher increases in the level of reported satisfaction (M= 0.75) compared to low complaining potential subjects (M=0.10) in the two week period between measurements. Similar effects were reported for perceived performance and purchase intention (see figure 1 for a representation of these effects on purchase intention).

The above reported effect of complaining in increasing perceived product performance, satisfaction and purchase intention levels is more pronounced for individuals who were very dissatisfied initially than for individuals whose initial level of dissatisfaction was only moderate. For example, the complaining induced increase in purchase intention (M=0.99) was significantly greater for individuals who were highly dissatisfied initially (from 1.98 to 3.28 for a net increase of 1.30) than for subjects who were only moderately dissatisfied initially (from 4.22 to 4.90 for a net increase of 0.67). Similar effects for satisfaction and perceived performance were not statistically significant. For instance, complaining caused the reported satisfaction for highly dissatisfied individuals to increase from 2.28 to 3.17 for a net increase of 0.89 while moderately dissatisfied individuals saw an increase from 4.21 to 4.80 for a net increase of 0.60. What this seems to suggest

is that while highly dissatisfied consumers may exhibit greater cathartic effects of complaining, even individuals with moderate dissatisfaction may experience increased levels of long term satisfaction as a result of complaining.

The result of the step-down analysis lends support to the hypothesis that complaining induced increases in satisfaction, perceived product performance and purchase intention were influenced by the intensity of complaining. The significant effects of the experiment on the dependent variables disappeared once the effects of complaining intensity were covaried out. The regression analyses (see table 3) showed that complaint intensity was a significant predictor of complaining induced increases in satisfaction, perceived performance and purchase intention.

The findings in this study suggest that encouraging dissatisfied consumers to complain may cause increased levels of satisfaction, perceived product performance and purchase intention. This is in line with the findings from the TARP (1979) studies that reported that even customers whose complaints were not satisfactorily resolved, reported higher levels of repurchase intention compared to those who did not complain at all. Does this mean that marketers should merely encourage complaints without attempting to address the complaints or the causes of the complaints? Certainly not. Goodwin and Ross (1990) suggest that encouraging consumers to express their feelings may be perceived as fraudulent if their expressions of feelings do not result in positive response. Providing consumers with a chance to vent or even offering them an apology may not compensate for failure to provide them with a refund or exchange if that is what the dissatisfied consumers desire. It was noted earlier that not all complaints are instrumental in nature and therefore are not directed at obtaining specific and tangible changes in the distress causing state of affairs. What this suggests is that the marketers' response to complaints should be based on an understanding of the complainer's motives. The cathartic benefits of complaining should be seen as an added incentive to encourage complaining behavior.

It should be noted that though this study has looked at complaining (to the marketer) as a means of venting, dissatisfied consumers have other avenues, such as negative word-of-mouth, to vent their anger and frustration. Negative word-of-mouth usually has lower costs (time, effort, psychic costs etc., see Richins 1980) compared to complaining to the marketer and may be the preferred route for venting especially if the dissatisfied consumer has non-instrumental motivations. However negative word-of-mouth is a poor substitute to complaints made to the marketer from the marketer's point-of-view. Marketers should make it easier for dissatisfied consumers to complain by reducing the costs involved with making complaints.

Limitations

While this study has found evidence for the beneficial effects of complaining in reducing dissatisfaction, some issues remain to be resolved. It is unclear whether the beneficial effects of complaining were caused solely through catharsis, or whether other mechanisms such as improved perceived justice, enhanced self-understanding, increased perceived control over the situation or some other form of cognitive coping may have operated concurrently with catharsis. Since the effects of complaining were found for satisfaction, perceived performance and purchase intention, it makes it unlikely that the complaining induced increases in these self-reported measures were merely due to subjects' higher perceived control over the computer evaluation process. Higher levels of satisfaction with the evaluation process does not necessarily lead to higher levels of satisfaction with an inferior product, nor does it cause the inferior product to be evaluated more positively. However, this does not rule out other mechanisms by which long term dissatisfaction may have been reduced. For example, the short-term increase in dissatisfaction caused by complaining may have encouraged increased cognitive processing. This may have caused subjects to generate counter-arguments; i.e. cognitions where the subject defends the choice of the computer. Another mechanism that could have produced reduced dissatisfaction is increased levels of perceived justice. Providing customers with an opportunity to make their voices heard could lead to higher levels of procedural/ interactional justice and that could have led to lower levels of

dissatisfaction (Blodgett and Tax, 1993). Further research is required to more closely investigate the relative contributions of the diverse mechanisms that could account for the beneficial effects of complaining on satisfaction, perceived product performance and purchase intention.

For reasons explained earlier, in this study the measurement of the beneficial effects of complaining was conducted two weeks after complaining. As noted earlier, the beneficial effects of complaining may occur in a few hours after complaining or after a few days at the latest. Further research needs to be done to fully understand the timing of the onset of the beneficial effects of complaining.

The experiment in this paper involved student subjects having to evaluate a product which was to be purchased by someone else, and over whose purchase the students may have had very little perceived control. As such the situation does not mirror most consumer purchase decisions. Despite the fact that pre-testing had shown that the situation was highly involving, further research employing real consumers making actual purchases would be necessary to validate the findings reported in this paper.

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THE EFFECTIVENESS OF COMPENSATION GIVEN TO COMPLAINING CONSUMERS: IS MORE BETTER?

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ABSTRACT

Most major consumer products companies offer compensation (e.g., refunds, coupons, replacement products) to their dissatisfied consumers to resolve their complaints. However, it is not clear if greater amounts of compensation have significantly positive effects on complaining consumers. This study evaluated the impact that greater amounts of compensation had on 1,796 consumers who complained to a major consumer products company. The results showed that greater amounts of compensation did *not* significantly increase these complaining consumers' repeat purchase intentions, word-of-mouth communication, or satisfaction with the company's compensation offer.

INTRODUCTION

Most major consumer products companies have instituted complaint management systems in which dissatisfied consumers are encouraged to express their complaints directly to customer service representatives via toll-free telephone complaint "hotlines" (Garrett and Meyers 1996; SOCAP 1992, 1996). During these interactions, customer service representatives typically attempt to minimize consumers' dissatisfaction levels by offering them appropriate compensation, such as refunds, coupons, or product replacements. Companies hope that this compensation will soothe the anger and frustration of complaining consumers so that they will consider buying these products again and will not discourage their friends from purchasing these products.

While most consumer products companies routinely give compensation to dissatisfied consumers, comparatively little research has been devoted to the issue of what is the optimal level of compensation that should be offered to dissatisfied consumers in order to stimulate repeat purchase behavior and positive word-of-mouth communication. As Smith, Bolton and Wagner (1999, p. 356) recently noted, "Although service recovery is recognized by researchers and managers as a critical element of customer service strategy, there are few theoretical or empirical studies of service failure and recovery issues." If too much compensation is offered to complaining consumers, companies are needlessly wasting money that does not significantly increase consumers' repeat purchase intentions and positive word-of-mouth communication. Conversely, if too little compensation is offered, companies are failing to generate the additional benefits that can be reaped from more adequately resolving consumers' complaints.

This study addresses this important research issue by investigating the impact that the amount of compensation given by a company has on complaining consumers' repeat purchase intentions, word-of-mouth communication, and satisfaction with the compensation offer. Relevant literature and the theoretical foundation for this study are reviewed next. Then the research hypotheses addressed in this study are explicated, followed by a description of the study's methods. Finally, the results are presented and discussed.

LITERATURE REVIEW

Recent research clearly demonstrates that there is a positive relationship between customer satisfaction and company profitability (Anderson, Fornell, and Lehmann 1994). When consumers are highly satisfied with a company's products, they engage in repeat purchase behavior and also encourage their friends to buy the company's products through positive word-of-mouth communication. In this favorable situation a company is able to spend less money on promotion and, as a result, profitability is increased. In contrast, when consumers are dissatisfied with a company's products, they switch their future purchases to competitive companies and discourage their friends from buying the offensive company's products through negative word-of-mouth communication. Thus, profitability suffers because a company must spend more money on promotion to overcome the effects of negative word-of-mouth communication

To minimize the adverse effects that dissatisfied consumers can cause, progressive

companies encourage these customers to communicate their complaints directly to customer service representatives (Garrett and Meyers 1996; SOCAP 1992, 1996). By doing so, service representatives can identify problem areas within the company that are generating customer complaints. In addition, service representatives also attempt to resolve dissatisfied consumers' complaints, typically by offering some compensation to consumers for their negative experience. This compensation may take various forms, such as a refund for the consumer's purchase price, coupons for future purchases of company products, or new products given to replace defective merchandise.

During the past two decades a growing body of research has investigated the effectiveness of compensation given by companies to dissatisfied consumers (Baer and Hill 1994; Blodgett and Tax 1993; Clark, Kaminski, and Rink 1992; Gilly 1987; Gilly and Gelb 1982; Gilly and Hansen 1985; Goodwin and Ross 1992; Hoffman, Kelley, and Rotalsky 1995; Lewis 1983; Megehee 1994; Pearson 1976; Resnik and Harmon 1983; Smart and Martin 1992; Smith, Bolton and Wagner 1999). In general, these studies found that dissatisfied consumers are more favorably impressed with a company's response to a complaint when some amount of monetary compensation is included as compared to when the company responds without any compensation offer.

However, only a few studies have specifically analyzed the impact that greater amounts of compensation have on complaining consumers (Blodgett and Tax 1993; Gilly 1987; Gilly and Gelb 1982; Gilly and Hansen 1985; Megehee 1994; Smith, Bolton and Wagner 1999). Most of these studies concluded that dissatisfied consumers are more favorably impressed as the amount of compensation given by a company increases (Blodgett and Tax 1993; Gilly 1987; Gilly and Gelb 1982; Gilly and Hansen 1985; Megehee 1994; Smith, Bolton and Wagner 1999). But the results from these studies have not always been consistent. For example, Megehee (1994) found that subjects in her experiment who received $5 of compensation had a greater intention to repurchase than did those subjects who received $7.50, $10, or $12.50. Most notably, Smith, Bolton and Wagner (1999) recently found in their analysis of service failures in the hotel and restaurant industries, that the magnitude of the service failure apparently plays a critical role in this process. They discovered that when the magnitude of failure is low in their hotel scenario, the relative effect of a moderate level of compensation on perceptions of distributive justice was *greater* than the effect of a high level of compensation. In the restaurant scenario, they observed no difference in effects between these levels of compensation. Thus, given this limited number of prior studies and their inconsistent results, there appears to be insufficient empirical data to determine what is the optimal level of compensation that should be offered to complaining consumers.

Two important limitations in these previous studies must also be carefully considered. First, most of these studies did not directly analyze perceptions of dissatisfied consumers who actually received compensation from companies for their complaints. Instead, a number of studies asked subjects recruited for an experiment to evaluate scenarios depicting hypothetical company responses to consumers' complaints (Blodgett and Tax 1993; Gilly and Hansen 1995; Goodwin and Ross 1992; Megehee 1994; Resnik and Harmon 1983; Smart and Martin 1992; Smith, Bolton and Wagner 1999). Other studies asked college students for a class assignment to write complaint letters to companies and then evaluate the company's response (Baer and Hill 1994; Clark, Kaminski, and Rink 1992; Pearson 1976). Thus, because of the artificiality of these situations, the validity of the subjects' evaluations must be questioned. Only a few studies obtained the perceptions of dissatisfied consumers who had actually complained to companies in real life situations (Gilly 1987; Gilly and Gelb 1982; Hoffman, Kelly and Rotalsky 1995; Lewis 1983).

Second, while repeat purchase behavior and word-of-mouth communication are generally considered to be two key variables that companies must positively impact in order to maximize their profitability (Anderson, Fornell, and Lehmann 1994), many of these previous studies did not measure the effect that compensation has on these two variables. Some studies measured repeat purchase intentions or behavior (Baer and Hill 1994; Blodgett and Tax 1993; Gilly 1987; Gilly and Gelb 1982; Gilly and Hansen 1985; Lewis

1983; Megehee 1994), but only a few assessed word-of-mouth communication (Blodgett and Tax 1993; Gilly and Hansen 1985; Lewis 1983).

In sum, the results of this literature consistently indicate that companies should offer some monetary compensation to complaining consumers. However, even though companies are advised to offer "generous" compensation to complaining consumers because these expenditures should theoretically yield attractive returns (Fornell and Wernerfelt 1987, 1988), there is insufficient previous research to demonstrate empirically just how generous this compensation should be. This is obviously an important, unanswered question that has significant financial implications for consumer affairs managers. In the next section, equity theory is presented as an appropriate theoretical framework that may help answer this critical question.

THEORETICAL FRAMEWORK

Equity theory, which has been applied in a number of consumer satisfaction studies (e.g., Gilly and Hansen 1985; Goodwin and Ross 1992; Oliver and Swan 1989a, 1989b; Swan and Oliver 1989), provides the theoretical framework for this study. In general, equity theory suggests that consumers determine their degree of satisfaction with a product based on the perceived fairness of their exchange relationship with the manufacturer and/or retailer of the product. Previous research has shown that as consumers' perceptions of fairness increase, the content of their word-of-mouth communication becomes more positive (Swan and Oliver 1989). Also, consumers are more satisfied with an exchange relationship as their perceptions of fairness increase (Oliver and Swan 1989a).

Previous research regarding "positive inequity" (i.e., individuals perceive that the outcomes are weighted in their favor) lends insight into the possible effect of compensation on dissatisfied consumers (Brockner and Adsit 1986; Gilly and Hansen 1985; Oliver and Swan 1989a). On the one hand, positive inequity may cause individuals to feel distress or guilt because they believe they are receiving more than they deserve. On the other hand, due to an individual's "egocentric bias", mild amounts of positive inequity may actually lead to increased satisfaction. Supporting the egocentric bias, the results of Brockner and Adsit's (1986) research showed that individuals were more satisfied with a positively inequitable relationship than with an equitable relationship. Similarly, Gilly and Hansen (1985) found that dissatisfied consumers who received an "overbenefiting" response (i.e., positive inequity) from a company were more satisfied than those consumers who received an equitable response. Thus, for the purposes of this study, equity theory indicates that complaining consumers should be more satisfied as the amount of compensation given to them increases.

HYPOTHESES

Based on prior research concerning equity theory, the following hypotheses regarding the impact of compensation on dissatisfied consumers will be addressed in this study:

H1: Complaining consumers' repeat purchase intentions will increase significantly as the amount of compensation given to them increases.

H2: Complaining consumers will be significantly more likely to recommend a company's products to their friends as the amount of compensation given to them increases.

H3: Complaining consumers' degree of satisfaction with a company's compensation offer will increase significantly as the amount of compensation given to them increases.

METHODOLOGY

An experiment was designed to test the effect that the amount of compensation has on complaining consumers. A major consumer products company agreed to cooperate with this project. Like most consumer products companies, this company has a complaint management system in which dissatisfied consumers may call a toll-free telephone number and express their complaints directly to the company's customer service representatives. The vast majority of complaints

received by this company involve cases in which consumers complain that a product did not perform as effectively as expected.

The independent variable in this study is the amount of compensation given to complaining consumers. To be consistent with current company practice, the form of compensation used in this study was coupons that may be used for future purchases of company products. The company's standard compensation policy calls for service representatives to send complaining consumers a coupon approximately equal in value to the average retail price of the product with which they are dissatisfied. Most of the company's products have retail prices in the $2 to $5 range. If a consumer complains about multiple units of the product, then the service representatives send the consumer one coupon for each unit bought. For instance, if a consumer complained about 3 units of a product that retailed for $4 per unit, the service representative would send $12 worth of coupons to the consumer.

To measure the impact that various amounts of compensation have on complaining consumers, three levels of this independent variable were selected. In the "normal" case, service representatives were instructed to follow current company policy and give complaining consumers one coupon equal to the product's average retail value for each unit of product that the consumer bought. In the "double" case, service representatives were instructed to give complaining consumers 2 coupons equal to the product's average retail value for each unit of product bought. Finally, in the "triple" case, complaining consumers received 3 coupons equal to the product's average retail value for each unit of product bought. This manipulation was executed by randomly designating specific days as "normal", "double", or "triple" coupon days. For instance, on "double" coupon days, all service representatives were instructed to give 2 coupons equal to the product's retail price for each unit of the product bought by consumers who called to complain on that day.

The service representatives were briefed prior to the start of the study regarding the general purpose of this project. The coupon status of each work day (i.e., normal, double, or triple coupon day) was prominently posted in the customer service center. The author and the customer service center manager stressed the importance of this study and encouraged all representatives to conscientiously follow the couponing schedule. While the study was being conducted, the service center manager randomly checked call reports to confirm that the service representatives understood the study's directions and were adhering to the couponing schedule.

Approximately one week after their call to the company's customer service center, complaining consumers received through the mail a package containing their coupon compensation and a satisfaction survey that they were asked to complete and return to the company in an enclosed postage-paid envelope. Included in this survey were questions designed to measure these consumers' repeat purchase intentions, word-of-mouth communication, and satisfaction with the company's compensation offer (the specific questions are listed in the results section).

Completed satisfaction surveys were received from 1,766 consumers (515 consumers who contacted the company during normal coupon compensation days, 657 consumers from double coupon days, and 594 consumers from triple coupon days). Because these surveys were coded with the company's customer contact number, each respondent's survey results were then linked directly back to the amount of compensation actually given to each specific consumer. This analysis revealed that dissatisfied consumers who contacted the company on normal coupon days and returned their satisfaction surveys received an average of $3.80 in coupons for each unit of product that they bought. Consumers on the double coupon days received an average of $7.73 for each unit of product with which they were dissatisfied. Consumers on the triple coupon days received an average of $11.06 for each unit of product. This analysis verified that the dissatisfied consumers in these three treatment groups did, in fact, receive significantly different levels of coupon compensation.

RESULTS

Repeat purchase intentions

The first hypothesis asserted that as the

amount of compensation given to complaining consumers increases, their repeat purchase intentions will increase. This hypothesis was tested first by including the following item on the satisfaction survey:

A. How likely is it that you will purchase this product regularly in the future? (1 = definitely will not; 10 = definitely will)

Contrary to the first hypothesis, the average responses to this item for dissatisfied consumers in each of the three treatment groups were *not* significantly different:

Normal compensation group = 6.84
Double compensation group = 6.86
Triple compensation group = 6.83
(F ratio = .007; F prob. = .993)

This first hypothesis was also tested by including the following two items in the satisfaction survey:

B. How many individual units of this product did you buy during the *past* 12 months?

C. How many individual units of this product do you think you will probably buy during the *next* 12 months?

The difference between each respondent's planned future unit consumption and past unit consumption was calculated. As shown by the negative numbers below, each group indicated that they would buy fewer units of this product in the future than they did in the past. However, using a significance level of .01, there is not a significant difference among these three groups.

Normal compensation group = -.40
Double compensation group = -.58
Triple compensation group = -.61
(F ratio = 2.890; F prob. = .056)

Contrary to the first hypothesis, these results reveal that complaining consumers' repeat purchase intentions do *not* increase significantly as the amount of compensation given to them increases.

Word-of-mouth communication

The second hypothesis stated that complaining consumers will be significantly more likely to recommend a company's products to their friends as the amount of compensation given to them increases. The following two items were included on the satisfaction survey to test this hypothesis:

D. Would you recommend to your friends that they buy this product? (1 = definitely no; 10 = definitely yes)

Normal compensation group = 6.74
Double compensation group = 6.74
Triple compensation group = 6.74
(F ratio = .0002; F prob. = .9998)

E. If a friend asked your opinion about this product, would you say that this product is: (1 = terrible; 10 = excellent)

Normal compensation group = 6.85
Double compensation group = 6.92
Triple compensation group = 6.85
(F ratio = .086; F prob. = .917)

Responses to both of these items indicate that there is not a significant difference in word-of-mouth communication among these three groups of complaining consumers. Therefore, contrary to the second hypothesis, complaining consumers are *not* significantly more likely to recommend products to their friends if they receive increased levels of compensation.

Compensation satisfaction

The final hypothesis asserted that complaining consumers' degree of satisfaction with a company's compensation offer will increase significantly as the amount of compensation given to them increases. To test this hypothesis, the following item was included in the survey sent to complaining consumers:

F. Given your experience with this product, how satisfied are you with the amount of compensation you received?

(1 = not at all satisfied; 10 = completely satisfied)

Normal compensation group = 8.62
Double compensation group = 8.75
Triple compensation group = 8.87
(F ratio = 1.418; F prob. = .243)

Because there were no significant differences among these three groups regarding their satisfaction with the amount of compensation that they received from the company, the third hypothesis must also be rejected.

DISCUSSION

Discussion will focus first on the theoretical implications of these results, and then the practical implications of this study will be explored.

Theoretical Implications

The results in this study show that the amount of compensation offered to complaining consumers does *not* significantly impact their repeat purchase intentions, word-of-mouth communication, or their satisfaction with the company's compensation offer. These findings are somewhat surprising because, even though only a few studies have addressed this question previously, they have generally concluded that complaining consumers are more positively impressed as the amount of compensation given to them increases (Blodgett and Tax 1993; Gilly 1987; Gilly and Gelb 1982; Gilly and Hansen 1985; Megehee 1994; Smith, Bolton and Wagner 1999).

There may be two possible explanations for the disparity between the findings in this study and previous research. First, this inconsistency may be related to the range of the independent variable (i.e., amount of compensation) that was evaluated. In this study the amount of compensation offered to complaining consumers ranged from an amount equal to the retail price of the product, at the low end, to an amount equal to three times the retail price, at the high end. In contrast, in several of the studies previously conducted in this area, it appears that the highest amount of compensation offered did not exceed an amount roughly equivalent to the purchase price of the unsatisfactory product or service. For instance, in the Blodgett and Tax (1993) study subjects were given either a 40% discount on a future purchase, at the low end, or a full exchange or store credit, at the high end. The Gilly (1987) and Gilly and Gelb (1982) studies used "percentage of monetary loss reimbursed" as their independent variable. They do not explicitly report the range of this variable, but it appears that most respondents in their studies received compensation that was less than 100% of their loss. And in the recent Smith, Bolton and Wagner (1999) study, their levels of compensation ranged from no compensation at the low end to 100% of the dissatisfied consumer's bill at the high end.

The two studies that did include greater amounts of compensation report inconsistent results. Gilly and Hansen (1985) evaluated three levels of compensation in a scenario in which a hotel cannot honor a consumer's reservation:

> underbenefit: no room is available and nothing is done.
>
> equity: arrangements are made for comparable facilities at another location.
>
> overbenefit: arrangements are made for comparable facilities at another location and, in addition, a complimentary dinner and a free weekend at the hotel chain are offered.

They found that those subjects who received the overbenefiting option were significantly more likely to be satisfied, to stay at the hotel again, and to recommend the hotel to their friends.

Megehee (1994), also using a hypothetical scenario, evaluated how subjects responded to compensation offers ranging from $2.50 to $15.00 for a dry cleaning problem costing the consumer $5.00. While she found that subjects who received greater amounts of compensation were more satisfied with the company's offer, her results also showed that subjects who received $5.00 in compensation were more likely to use the service again than those who received greater amounts of compensation.

Thus, it could be that the impact of compensation on complaining consumers has different effects in specific zones along the

continuum of possible compensation values. That is, complaining consumers may become progressively more satisfied with companies' compensation offers up until the "price paid" point (i.e., reimbursement equal to 100% of the price paid by the consumer). Then, after this point, increased amounts of compensation may not significantly impact complaining consumers. If this relationship is true, this runs counter to the "egocentric bias" which argues that consumers prefer situations in which inequity is weighted in their favor (Brockner and Adsit 1986).

A second explanation for the results found in this study can be found in the results recently reported by Smith, Bolton and Wagner (1999). They discovered that the magnitude of the failure event plays a significant role in consumers' responses to differential levels of compensation. Most germane to this study, they found that when the magnitude of the failure event is low, the relative effect of a moderate level of compensation on perceptions of distributive justice is actually greater than the effect of a higher level of compensation in their hotel scenarios. In their restaurant scenarios, they found that when the magnitude of the failure is low, there is no difference in impact due to the level of compensation. Because the magnitude of the failure event in this study of dissatisfaction with consumer products was quite low (i.e., most consumers were calling to complain about products that retailed in the $2 to $5 range), this might help to explain why higher levels of compensation had no significant impact.

These findings indicate that the magnitude of the failure event (at least in financial terms) may be a significant variable that affects consumers' reactions to compensation that is offered to them. Based on the results from this study and the Smith, Bolton and Wagner (1999) study, it appears that higher levels of compensation have little significant impact of consumers' evaluations and future intentions, at least when the failure event magnitude is relatively low. However, because of a dearth of prior research, it remains to be seen how these relationships hold true when the magnitude of the failure event is much higher, for example when the consumer's financial loss is in the hundreds or even thousands of dollars.

Practical Implications

Obviously, because comparatively little research has analyzed the effect that the amount of compensation has on complaining consumers, considerable caution should be used in drawing definitive conclusions for consumer affairs managers. However, with this caveat, the results from this study do suggest that consumer affairs managers may be wasting money by offering excessive amounts of compensation to their complaining consumers. This study showed that those dissatisfied consumers in the "triple" compensation category who received an average of $11.03 in coupons were no more favorably impressed than those dissatisfied consumers in the "normal" compensation category who received an average of $3.80 in coupons. At least for this company, these results show that increasing the amount of compensation given to complaining consumers past the "price paid" point (i.e., equal to the retail price of the product) does not yield significant improvements in repeat purchase intentions, word-of-mouth communication, or satisfaction with the company's compensation offer.

Of course, consumer affairs managers in other companies and industries would be wise to consider that this study analyzed dissatisfied consumers in a consumer products company which primarily sells products in the $2-$5 dollar range. As noted earlier, It is very possible that consumer affairs managers in industries in which purchase prices are dramatically higher (e.g., automobiles, appliances, computers) may find that dissatisfied consumers react quite differently to compensation offers from companies when the magnitude of the failure event for consumers is much higher.

DIRECTIONS FOR FUTURE RESEARCH

There are two important issues that should be addressed in the future in this research area. First, given the contradictory results between this study and some of the previous research in this area, future research could analyze complaining consumers' evaluations of company compensation offers encompassing a broader range of monetary values. In the present study company managers were unwilling to include a category in the

research design in which complaining consumers received compensation less than the currently established company policy (i.e., equal to a product's retail price). Therefore, future research should specifically test the effectiveness of compensation that is below this "price paid" mark to determine at which point dissatisfied consumers perceive that a company's offer of compensation is too low.

Second, future research could investigate the comparative effects of compensation and service representative quality on complaining consumers. This study focused solely on the impact of various amounts of compensation on complaining consumers. But, as amply noted in the literature (TARP 1985, 1986; SOCAP 1992, 1996), the quality of service representatives who communicate with dissatisfied consumers can also have a major impact on consumers' repeat purchase intentions and word-of-mouth communication. Therefore, future research could determine which of these factors, compensation or service representative quality, has a more significant impact on complaining consumers. This research could help consumer affairs managers to determine if they should devote more financial resources to training and rewarding service representatives or to compensating complaining consumers for their losses.

CONCLUSION

This study revealed that complaining consumers are *not* significantly more impressed when they receive greater amounts of coupon compensation from a company in response to their complaints. Indeed, when the amount of compensation is doubled and even tripled, complaining consumers' repeat purchase intentions and word-of-mouth communication do not significantly improve. This indicates that while consumer affairs managers should probably offer dissatisfied consumers some compensation for their unsatisfactory experiences, compensation beyond a certain amount may not be an effective use of company resources.

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THE EFFECT OF SIMPLIFYING THE COMPLAINT PROCESS: A FIELD EXPERIMENT WITH THE BETTER BUSINESS BUREAU

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ABSTRACT

The decision of whether or not to complain about a dissatisfying product or service has been thought to be dependent on the expectation of effort required to lodge the complaint. Previous studies relying on cross sectional survey methodology have shown relationships between effort and complaining to the manufacturer or retailer. This paper examines the relationship between the difficulty of complaining to a third party and subsequent opinions of the complaint process. Taking advantage of a unique opportunity, Better Business Bureau complainants were assigned randomly to either a current, complicated, process or a simplified process as part of a field experiment. Records were kept of the proportions of complaint forms and surveys returned and complainants' evaluations of the processes. Those consumers in the simplified condition returned more than twice the proportion of complaint forms as did those in the current condition. When surveyed, consumers rated the simplified process more positively, even if they were no more satisfied with the outcome (compensation) from the complaint.

BACKGROUND

The research stream in consumer complaining behavior (CCB) has consisted primarily of surveys and reports of a retrospective nature, in which consumers are self-reporting past behaviors and incidents (Bearden and Teel 1983). Consumer self reports have increased our knowledge and understanding of the factors which influence the CCB process, including the impact of demographics, consumer's personality and attitudes toward complaining, and the perceived likelihood of success (Blodgett, Granbois and Walters 1993; Day 1984; Landon 1977; Richins 1982). The majority of this research has been based on experiences in the United States, rather than enlisting a more cross-cultural approach (Liu, Watkins and Yi 1997). The dominant capitalist culture in the U.S. may be viewed as consistent with the style of decision making that is often associated with CCB. That is, the consumer is often viewed as deciding how to respond based on, "What's in it for me?"

Significant research efforts in CCB have focused on the expected consumer outcomes. Expected outcomes (benefits) may include financial remuneration, replacement, apology, or improved future service. Several studies have found perceived likelihood of success (Day and Landon 1976; Richins 1983, 1987; and Singh 1990) and product importance (Richins 1985) to be related positively to complaining behavior.

Weighed against the benefits that accrue from complaining are the costs incurred in the process. While this relationship has been discussed for decades (e.g., East 1996, Landon 1977), theory and evidence have been inconsistent. Richins (1979) cited costs as including travel, time, interpersonal factors, paperwork, social embarrassment and other inconveniences. Others have included image of the complainee, complainer's experience, and required time (Prakash 1991), number of required contacts for resolution (Davidow and Leigh 1998), and the presence or absence of knowledge, skill and other resources, or control factors (East 1996) in assessing expected cost. For a satisfactory resolution, "The complaint communication process must be easy and clear for consumers, and the company representatives must be considerate and helpful (Davidow and Leigh 1998, p. 93).

While a significant body of CS/D research has explored the determinants of complaining behavior and the factors influencing the complaint process, little attention has been directed to the process firms utilize (Goodwin and Ross 1989) or the process utilized by third parties to respond to consumer complaints. This is particularly important because, as suggested by Etzel and Silverman (1981), "secondary satisfaction" arising from complaint handling may assist in building even stronger brand loyalties than satisfaction with the initial service.

Complaint satisfaction may be particularly salient when created in a dyadic situation as part of

an interactive complaint communication (ICC), as discussed by Garrett, Meyers and Camey (1991). Perception of the outcomes of the complaint process is dependent, in part, on how the consumer feels she/he was treated by the organization's complaint handler. Having someone listen, even more so than receiving compensation, may be responsible for the consumer's perception of having participated in an equitable process.

The equity literature discusses two types of fairness: distributional fairness, and procedural fairness. Distributional fairness is concerned with the manner in which resources are distributed and the principles used for allocation (Adams 1965, Goodwin and Ross 1989). In contrast, procedural fairness is based on the process by which conflicts about allocation of resources are handled. Procedural, or process, fairness may also be applied to the complaint handling process as shown by Goodwin and Ross (1989), who used recall of past service failures to analyze and code open-ended responses to the question, "Was this resolution fair or not, and why ?". Their study of the complaint handling process found that the strongest influences on overall satisfaction, and willingness to return to the firm, were compensation and interaction style. These same two factors, compensation and interaction style, along with a third factor, responsiveness, were significantly correlated with the perceived fairness of the complaint handling process.

A related concept, perceived justice, extends the process by connecting the complaint event to future repatronage (Blodgett 1994). Although this was derived in a retailer context, consumers who complain to third party agencies may use a similar calculus to determine whether to repatronize these agencies.

THIRD PARTY COMPLAINING

This study is concerned primarily with determining whether the third party complaint handling process has an impact on consumer perceptions of satisfaction. As noted by Bearden and Oliver, "Because creating satisfied complainants is a primary goal of complaint handling systems, and because satisfaction with complaint resolution is a dependent variable of research interest to both consumer affairs practitioners and marketers, the relation between the nature of complaint behavior and satisfaction with problem resolution appears to warrant further investigation," (1985, p. 223).

Complaining to a third party was separated from other complaint behavior due to its infrequent use and unusual nature. Third party complaining has been identified as the behavior least likely to be selected by dissatisfied consumers (Hogarth and English 1997; Liu, Watkins and Yi 1997; Prakash 1991). This option requires more effort (Prakash 1991) and includes contacting public vehicles (e.g., newspapers and local television news) and taking legal action as well as contacting complaint resolution agencies such as industry boards or the local Better Business Bureau chapter (Liu, Watkins and Yi 1997).

Prakash (1991) hypothesized that it is the expectation of this additional effort that mediates the relationship between intensity of dissatisfaction and likelihood of engaging in complaining behavior (in this case, to a third party). For this reason, third party complaining may be viewed as particularly susceptible to cost-benefit tradeoffs. This is one explanation of why consumers who engage in this behavior tend to be younger, better-educated and from higher income groups (Hogarth and English 1997), in addition to the general tendency for complainers to more likely be female.

Third party complainants may be contacting any of a number of private, governmental or quasi-governmental agencies. These may include consumer advocacy groups, government consumer agencies (e.g., Consumer Product Safety Commission), federal, state or local attorneys general and trade associations. The Federal Reserve Board (of the United States), for example, accepts and responds to consumer complaints (Hogarth and English 1997) - but only when the consumer is savvy enough to know whom to contact and how.

Most consumers will cite the Better Business Bureau (BBB) as one of a short list of possible agencies to contact (Fisher, Garrett and Arnold 1997). While the BBB enjoys this strong name recognition, detailed knowledge of its structure and activities is less widely held. Many consumers, for example, are unaware that the BBB is private and has no regulatory or criminal prosecution

authority.

BETTER BUSINESS BUREAU

This study was conducted with the cooperation of a regional Better Business Bureau that was interested in obtaining additional insight into the complaint resolution process, with a stated goal of improving service to its customers. In the case of the BBB, "customers" include both local residents (consumers) and businesses. While the role played on behalf of consumers is well known, it is less well known that the BBB is supported by dues paid by member businesses. It is this dual role of serving the needs of both the business community and individual consumers, that makes the BBB unique as a third party consumer group.

The researchers interviewed key members of the BBB management team, to determine the current process used to handle incoming complaints. The current process began with an initial telephone intake process, initiated by the dissatisfied consumer. During this initial telephone contact, basic consumer information was taken, including the nature of the problem, and consumer contact information (e.g. address and telephone number). Subsequently, the consumer was mailed a form, which she/he was required to complete and sign, and attach necessary documentation to substantiate the complaint. The complete complaint package had to be returned before the BBB would look into the actual complaint or discuss the situation in more detail.

This "old" process placed much of the burden on the consumer, appeared to discourage complainants from venting their frustrations, and did not appear to be immediately responsive to the needs of the complainant. At about the time the research project began, the BBB had received notice of a new system of handling consumer complaints that recently had been adopted by several BBB chapters across the U.S. Software had been developed that enabled the intake operator to classify the call (business category and nature of complaint) and immediately interview the caller to obtain and record the relevant details of the complaint. The new system would likely require more phone time for BBB operators, and therefore have a direct impact on cost per call. However, the procedure had the potential for documenting the majority of the complainants' problems directly into a computer system during the initial intake telephone call. This would significantly reduce the paperwork burden on the complainant, while allowing him/her to vent their problem at the time of their first contact.

Following the intake call, the complainant would be mailed a copy of the computer print-out detailing the problem as it had been explained to the BBB operator, and given an opportunity to amend the complaint, attach any helpful documentation (e.g., receipts), sign the form, and return it to the BBB. As under the "old" system, the complaint investigation process actually would not begin until the computer printout had been signed and returned to the BBB office.

In summary, the old system required more effort from the consumer in order to complete a blank form. Under the new system, consumers would be presented with a draft of their complaint that may require no more than a signature and return postage (or FAX). With both systems, consumers are asked to attach documentation. However, the old system appeared to demand this, "Also be sure to enclose photocopies of contracts, receipts, cancelled checks or other relevant documents" (instruction on BBB form). The new system presents this request in a manner that permits including documentation as an option. Printed on the transcription is the statement, "Also attach any documents that support your position." The elimination of a photocopying errand may permit faster response or enable a response from consumers who otherwise may have failed to return the old form.

In virtually all of the prior investigations of the effect of required effort on likelihood of complaining, cross sectional survey methodology was used to compare the complaint rate across levels of perceived effort. The availability of old (effortful) and new (simpler) complaining processes presented a unique opportunity to conduct a field experiment. The manipulation of complaint method difficulty and subsequent evaluation of consumer satisfaction, perception of fairness, willingness to reuse the BBB (i.e., "repurchase the complaint service) and ultimate resolution of the complaint are the contributions unique to this paper.

From a practical standpoint, the BBB

management team wanted to adopt this new system only if it provided better service to their customers. The experimental design provided the ability to evaluate the new system objectively prior to full-scale implementation.

METHODOLOGY

Data were collected over a three-month period, during the first three months of 1999. A subset of five BBB operators was trained on the new system. The operators were given a training period during which data were not collected, until they felt comfortable with the new computer phone intake system. To reduce the chance of bias, operators were assigned to work either under the "old" or the "new" system for an eight-hour shift, and then rotated to the opposite system on the next shift. Taking advantage of the random nature of incoming calls, and the centralized phone system, complainants were randomly assigned to one of the five intake operators, and thus had an equal chance of participating under the old system or the new system. All complainants are assigned a code number upon being entered into the system, which would allow for tracking of the questionnaire responses.

After the three-month study period was completed, a two page double-sided questionnaire was sent to each subject to collect data on complainants' perceptions of the seriousness of the problem and factors relating to satisfaction with the process. Respondents were asked to evaluate the phone intake, the form mailed to the complainant's home, the outcome/resolution, and the overall satisfaction with the complaint process. In addition, brief demographic data including income, age, education and occupation also were collected.

Questionnaire

Obviously, satisfaction with the complaint process will be influenced by a number of factors, hence the questionnaire solicited subjects' response to a number of the salient dimensions of the overall complaint handling process. With the exception of "overall experience", each of the satisfaction factors used a composite measure, to increase reliability of the measurement instrument (Churchill 1979). The satisfaction factor measures used were *perceptions of the initial phone contact* (6 items), *perceptions of the forms sent to me in the mail* (7 items), *overall satisfaction with problem resolution* (7 items), and the *overall experience* (1 item). Responses to each of the items in the composite measures were evaluated on a seven point Likert-type scale, ranging from -3 to +3, while measurement for overall experience was evaluated on a seven point bi-polar semantic differential scale anchored with Terrible and Delighted as shown below: (Westbrook and Oliver 1981).

1. Overall how do you feel about this experience with the BBB ?

Terrible	Unhappy	Mostly Mixed	Mostly Pleased	Delighted	Dissatisfied	Satisfied
(-3)	(-2)	(-1)	(0)	(1)	(2)	(3)

Each of the composite groupings was validated using orthogonal, varimax factor analysis, in which all factors loaded as intended (with factor loadings between .56 and .94).

In addition to these satisfaction factors, the questionnaire included several qualifying questions to assure that the household had, indeed, registered a complaint to the BBB and that the person filling out the questionnaire was indeed the person registering the complaint. A section was also included to measure the overall importance of the product, as past research has shown that expected outcomes of complaints are dependent on the importance of the product purchased (Richins 1985). A number of demographic dimensions were captured from the survey instrument, including age, sex, income and occupation (Table 1).

A total of 500 questionnaires were mailed out, with 10 returned due to address problems and a total of 134 useable responses for an overall response rate of 27%. Unlike some other surveys of complainants, not enough data were available on non-respondents to check for bias (Hogarth and English 1997). The response rate is very good, however, for a mail survey that included no incentive.

Respondent Groups

In addition to non-response bias, it is helpful to look for potential bias between groups that

TABLE 1
Demographic Profile of Respondents
Full Sample and by Type of Questionnaire

	All Respondents	**Questionnaire 1 Old Process**	**Questionnaire 2 New Process**
Sample Size	n=134	n= 56 (41.8%)	n=78 (58.2%)
Gender			
Female	86 (64.7%)	38 (67.9%)	49 (62.8%)
Male	47 (35.3%)	18 (32.1%)	29 (37.2%)
Income	$41,188	$40,155	$41,505
Age		49.53 years	46.34 years
Education			
Less than High School	6 (34.6%)	3 (5.4%)	3 (4%)
High School Graduate	66 (50.8%)	33 (58.9%)	33 (44%)
College Graduate	45 (34.6%)	16 (28.6%)	30 (40%)
Advanced or Professional Degree	13 (10.0%)	4 (7.1%)	9 (12%)
Occupation			
Blue Collar (Tradesman/Laborer)	25 (19.3%)	13 (24.1%)	12 (15.6%)
White Collar (Clerical/Administrative)	22 (16.9%)	9 (16.7%)	13 (16.9%)
Management/Professional	33 (25.4%)	8 (14.8%)	26 (33.8%)
Retired	20 (15.4%)	8 (14.8%)	12 (15.6%)
Homemaker	19 (14.6 %)	10 (18.5%)	9 (11.7%)
Other (Unemployed / Self Student etc.)	11 (8.5%)	6 (11.1%)	5 (6.5%)

would inject non-sampling bias into the results if subjects from one group (e.g., old) differed from subjects in the other group (e.g., new) on a dimension related to complaining behavior. Random assignment of subjects to treatment conditions (new versus old) appears to have been successful. There are no significant differences between subjects in the "old" group compared to subjects in the "new" group (Table 1). Women were a greater proportion of the complainant sample than might have been expected based on population norms, but consistent with findings in prior complaining studies. Based on research by Garrett, Meyers and West (1997) this is not expected to affect either the response to the old process or the new process. Other demographic variables were consistent with the slight biases seen in previous research (e.g., higher education, income).

Subjects were randomly assigned to one of the two treatment conditions, new versus old process, with 250 subjects in each condition, and therefore 250 questionnaires mailed out to each group. There were 56 useable questionnaires returned from the subjects in the *Old Process* treatment condition for a response rates of 22.4%, and 78 valid questionnaires returned from subjects in the *New Process* treatment condition, for a response rate of 31.6%. This difference in response rates is meaningful and will be discussed below.

Differences in perception of product importance could account for differences in complaining and differences in responses to complaint handling. There was no significant difference in overall product performance (rated on a 1 to 7 scale) between the old process group (mean = 4.5) and the new process group (mean = 4.6; p = .49). Overall, the respondents rated

TABLE 2
Comparison of Satisfaction Factors
Composite Variables

		Mean			
Composite Variable	**Variables in Composite**	**Old Process**	**New Process**	**t-statistic**	**p-value**
Initial Phone Contact	6	1.76	2.05	-1.67	**.05
Forms Received in Mail	7	1.46	1.64	-1.04	.15
Resolution of Problem	7	.18	.57	-1.20	.11
Overall Experience	1	4.76	4.91	-.45	.33

KEY:
** Significant at the .05 level

their problems as somewhat inconvenient (mean = 5.52) and serious (mean = 5.4), and a bit expensive (mean = 4.93). however, on average the problems were not perceived to be dangerous (mean = 2.55).

RESULTS

The primary objective of this study was to evaluate, in an experimental setting, the impact of a new complaint handling process on complainant satisfaction. From a practical standpoint, the BBB was interested in how many consumers complete the entire complaint cycle. This entails contacting the Bureau by telephone, receiving a form (of one sort or another) in the mail and then returning that form to be processed. The local chapter of the BBB previously had tracked return rate as a performance measure, using the old process, and typically recorded 20% of complainers following through. During the test period, the old form performed consistently with this, at 22% returns. The new form, by contrast, saw a 48% return rate.

The survey was sent to those who had returned these initial forms to record their opinions. The t-test analysis between the two experimental treatment groups (new versus old) was done at the composite level, for each of the four factors of satisfaction (Table 2). As shown in Table 2, the mean satisfaction was directionally higher in all cases for the *New Process* compared to the *Old Process.*

Of particular interest, the mean satisfaction (on a -3 to +3 scale) for the Initial Telephone Contact phase was 1.76 for the old process compared to a mean of 2.05 for the new process (p = -1.67) which was statistically significant at the .05 level. This was most likely due to the considerably longer phone time under the new system, which provided complainants with more time to describe their problem to the third party, and to vent their concerns. So even though more time was required, respondents using the new process felt their time was used more efficiently (mean = 1.8) than those under the old process (mean = 1.5). This was due, perhaps, to the perceptions that the new process allowed the consumer to better "state everything I needed to over the telephone" (new = 2.1; old = 1.8) and to "better communicate my concerns over the telephone" (new = 2.0; old = 1.6). The response was also viewed as more clear (new = 2.1; old = 1.8), but no more accurate in either condition (mean = 1.8). Both groups found the Bureau personnel to be equally courteous (mean = 2.3), which would be expected given the cross training and random assignment of personnel. These findings are consistent with other studies (1994, Goodwin and Ross 1989) which found that an opportunity to "present one's case" in a complaint scenario influences consumer

perceptions and satisfaction with the process.

While the other two composite measures were directionally correct, they failed to reach statistical significance. It is interesting to note that the composite variable *"satisfaction with forms received in mail"* had an average of 1.46 for the old process, and an average of 1.64 for the new process. The new system, in which the form received was the respondent's own complaint already typed, allowed for immediate feedback to the complainant and created more positive perceptions. This is consistent with past research findings that found that response speed (Gilly 1987) was a significant driver of customer satisfaction with the complaint handling process, in a business context. It is reasonable to extend this concept to the complaint handling process of a third party, such as a consumer agency or BBB.

None of the individual scales comprising the evaluation of the form reached statistical significance, but each showed directional preference for the new form. The greatest differences were seen in the "ability to provide all the documents the form asked for" (mean = 1.59; new = 1.75; old =1.39); "the form was difficult to complete" (reverse scaled for consistency, resulting in a mean = 1.52; new = 1.64; old = 1.35); and "completing the form was an efficient use of my time" (mean = 1.09; new = 1.26; old = 0.87). Of all of these subscales, the highest rated was "I understood the form that was sent to me" (mean = 2.1); followed by "form provided the opportunity to present my side fairly (mean = 1.76); then "form included all useful information (mean = 1.59) and lastly, " given the chance, I would use this form again (mean = 1.31). All scale differences were in the expected direction (preference for the new), with the exception of "included all useful information" which was rated with equal scores by both groups.

Overall satisfaction with the problem resolution averaged .18 for the old process, and a directionally, though not statistically significant higher .57 for the new process. As previously discussed this may be related to the new system's ability to allow the complainants to vent their frustrations and give detailed information on their first contact, and the greater speed and efficiency of the new, revised system.

The complainants' net gain did not seem to be much of an issue. "I was satisfied with the final outcome to my problem" rated lowest of the scales (mean = -0.66), with no significant difference between groups. Yet, respondents would "contact the BBB again if I had another problem" (mean = 1.3) or "recommend the BBB to friends who had a similar problem (mean = 1.21). Opinions were not strong as to the extent to which "the resolution was fair to me" (mean = -0.26) or even with whether "I was satisfied with the time frame it took to resolve my problem" (mean = 0.17). In each of these cases, the respondents who had been involved with the new process had more positive responses, but not significantly. The only scale that showed statistically significant differences was "the problem was handled thoroughly" (mean = -0.01; new = 0.31; old = -0.46).

On the final rating scale (Terrible = 1...Delighted = 7), the overall experience was rated only slightly higher (4.91) for the new process, than for the old process (4.76) although both scores were in the range anchored at "mostly satisfied." This suggests that the old system was not bad in any sense, but had some aspects that were possible to improve.

Although the survey was crafted based on prior BBB studies, prior CS/D studies and in consultation with BBB staff, it is possible that factors affecting complainants' satisfaction would be overlooked. For this reason, an open-ended, "if there is anything else" question was included. The comments ranged from very positive to very negative for each process. These comments were used as exploratory information only, but it is interesting to examine some of the variation achieved:

> Old form:
>
> *I was dissatisfied with my experience with the BBB, because I was asked in their form to identify the problem, as well as provide detailed documentation and to state what I believed would be a satisfactory resolution to my problem. After investing several more hours of my valuable time in doing so...the company's resolution to the problem was nowhere near what I requested and felt fair*
>
> *The company that I complained about did not respond to the BBB, but at least it was a last resort on my part to get their attention*

Waste of my time...forms were too numerous for the problem I have

New form:

The gal that helped me was very nice

The form received in the mail had the incident all wrong. When I wrote everything again and sent it back I got a letter back stating that basically this wasn't worth putting on record

The information gathered by the BBB was incomplete and vague. Probably should let consumer fill in all details. I had to type a letter giving the chronological order of events

DISCUSSION

Perhaps the best single indicator of the response to simplifying the complaint process was the increase in percentage of forms returned. The new process more than doubled the return rate, far exceeding expectations. While extending the length of the intake interview and increasing the number of responses adds costs, BBB management noted that these additional costs can be justified, as they are consistent with organizational goals. The new system allows consumers more opportunity to directly communicate their concerns to trained BBB intake staff, while generating a higher percentage of completed cases, and thus an overall improvement in the level of service delivery. Fortunately the BBB organization was able to absorb this increased work load without increasing staffing levels, and therefore without an associated increase in costs. Cost is an important factor for any organization, but particularly for non profit organizations who must continually balance the costs of increased service with the benefits provided.

Consumers seemed to appreciate the efficiency of the new process and the reduced effort required. These factors were rated more positively in the survey that was administered. New process complainants also returned a greater proportion of the surveys that were initially sent -- perhaps suggesting a higher overall satisfaction with the BBB. The new process can be more convenient in timing for the complainants (consumers make the calls and the mailed forms may require few changes). The problems are important enough to generate dissatisfaction and complaining among consumers, but may not be worth their additional time and effort.

Consistent with prior work, the process of complaining, and of having one's complaints heard, is important in determining the complainant's final satisfaction (Bernacchi, Kono and Smith 1979). A third party agency may have limited ability to affect compensation outcomes, but can provide a cathartic, satisfying interaction through which to air grievances. The process can be enough to encourage complainants to return when further problems occur (Hogarth and English 1997).

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CUSTOMER DELIGHT: THE BEAT OF A DIFFERENT DRUMMER

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ABSTRACT

This paper extends current research on customer satisfaction by addressing the construct of customer delight. We view consumption as performance (e.g., Deighton 1992), acknowledging that customer delight can result from product/service performance or the enactment of the consumer's performance in a consumption venue. In addition to the expectations-confirmation model of customer satisfaction, we apply social facilitation theory to the study of customer delight. Specifically, social facilitation theory provides an alternative explanation of the arousal → positive affect → customer delight sequence in that the exogenous catalyst of customer delight is the consumer's performance versus the product's performance. Research propositions are delineated and field notes from participant-observation of a woman's drumming workshop serve as a preliminary exploration of consumption performance and delight. In essence, this paper explores the delight of a different drummer.

INTRODUCTION

Deighton (1992) theorizes that consumption can be viewed as performance: consumers attend performances, consumers participate in performances, consumers perform with products, and products perform for consumers. The performance of a product can be evaluated through an attribute analysis or the consumers' emotional responses (Oliver 1980; Cadotte, Woodruff, and Jenkins 1987; Westbrook and Oliver 1991). In either case, the relationship traditionally of interest in the customer satisfaction literature is that between the consumer and the product's performance. Yet, by shifting the focus of inquiry to the consumer's performance, a company may be evaluated not only in terms of the ability of its product performance to satisfy or delight, but also in terms of its ability to provide a venue for the enactment of the consumer's own performance.

In this paper, we argue that in addition to choosing and evaluating products and services, consumers also choose and react to venues that provide an opportunity for the enactment of their own performances. In viewing consumption as performance, the paradoxical situation may arise in which a marketer can be successful even if its staged product does not particularly "satisfy" or "delight" its customers. The enactment of consumers' own performances may be the catalyst for customer satisfaction or delight. This explains, for example, repeat customer patronage of sporting events for losing teams (Holt 1995). It is the opportunity to "be a fan" and interact with other fans that enhances the consumption appeal.

This paper responds to the call for more customer delight research (e.g., Oliver and Rust 1997). We explore customer delight from two perspectives -- the expectations-confirmation paradigm and social facilitation theory. The expectations-confirmation paradigm provides a perspective on consumer delight based on the product's performance. Social facilitation theory provides a perspective on consumer delight based on the consumer's performance through a particular consumption venue. Our paper is divided into four sections. First, we review extant customer delight and product performance research. Second, we extend existing research by applying social facilitation theory to the study of customer delight. Third, we present preliminary analysis of customer's response to product and consumer performance at a drumming workshop for women. Finally, we provide suggestions and implications for future research.

CUSTOMER DELIGHT AND PRODUCT PERFORMANCE

Traditional customer satisfaction research has focused on satisfaction as a function of product-attribute performance (or service quality) and customer expectations (Oliver 1980; Oliver and DeSarbo 1988; Bolton and Drew 1991; Cronin and Taylor 1992). Some researchers have conceptualized satisfaction as a judgement of performance levels as compared to expectations using a better-than/worse-than heuristic, called the disconfirmation model of consumer satisfaction

(Oliver 1977). Substantial evidence for the disconfirmation process is documented in the consumer satisfaction/dissatisfaction literature. Other researchers have conceptualized satisfaction based on the emotional response to the judged disparity between product performance and a corresponding normative standard or expectation (Cadotte, Woodruff, and Jenkins 1987). A growing body of literature supports the inclusion of affect in the analysis of customer satisfaction (Westbrook and Oliver 1991).

An implicit assumption of existing models of customer satisfaction is that satisfaction states exist along a unidimensional continuum of satisfaction/ dissatisfaction. A unidimensional view of customer satisfaction indicates that consumer expectations can be met (simple confirmation), unmet (negative disconfirmation), or exceeded (positive disconfirmation). Thus, high levels of satisfaction or dissatisfaction can exist along the continuum. Similarly, from an affective perspective, emotional responses to the disparity between product performance and expectations may range from unemotional to highly emotional. For example, Westbrook and Oliver (1991) found that automobile owners experienced varying levels of satisfaction. Emotional responses to automobile purchases ranged from surprise to contentment or unemotional responses.

In contrast to the established streams of research on customer satisfaction, vague reference is made to customer delight. Consumer behavior research alludes to findings of high positive affect, pleasant surprise, and elation. However, a search of the marketing literature indicates that customer delight is examined as a distinct theoretical construct in only two recent academic publications.

The two existing academic publications in marketing that examine customer delight support an explicit distinction between satisfaction and delight. Kumar and Olshavsky (1997) presented the results of an empirical study of customer delight and satisfaction at the 1997 Advances in Consumer Research Conference. Their investigation was designed to examine how consumers defined and experienced satisfaction and delight. Results indicated that satisfaction was associated with subjects' expectation being met, subjects feeling they got "fair" value, and subjects feeling contented, while delight was associated with subjects feeling surprised, their expectations being exceeded, and feelings of elation.

Oliver and Rust (1997) offer an initial exploration of the measure of customer delight by integrating disconfirmation theory and theories of affect and emotion. They define consumer delight as a function of surprising consumption (arousal) and positive affect. Based on two service field studies (at an amusement park and music concert), they modeled delight and satisfaction as parallel outcome of surprising satisfaction and disconfirmation. They found support for the proposition that unexpected high levels of satisfaction or performance initiate an arousal $\rightarrow$ positive affect $\rightarrow$ delight sequence. However, mixed support is found for the hypothesis that delight is a combined result of pleasure and arousal. Also, the effect of delight on intentions appears to be moderated by the service context.

As evidenced in customer satisfaction research and the seminal work on customer delight, consumer attribute response is predictive of customer delight. Traditionally, product/service attributes are the determining factor of customer satisfaction in that consumers, practitioners, and researchers find benefit in an attribute-level product evaluation. Consumers are likely to render evaluations of their information search and post-purchase experience of satisfaction at an attribute level. Practitioners are likely to find diagnostics of customer feedback more useful at the attribution level. Researchers are afforded a higher level of specificity using product attributes.

The attribute level analysis is critical to an understanding of whether and how a consumer achieves satisfaction (Bolton and Drew 1991; Hanson 1992; Wilkie and Pessemier 1973). For example, Mittal and Ross (1998) explore the asymmetric relationship between attribute-level performance, overall satisfaction and repurchase intentions in marketing. Their study results indicate that attribute satisfaction significantly affects overall satisfaction with the product or service and attribute dissatisfaction has a larger weight than attribute satisfaction.

We propose that an asymmetrical relationship exists between customer delight and product attributes. Specifically, surprising performance on an expected attribute versus surprising performance on an unexpected product/service

attributes will have an asymmetrical impact on customer delight. Cognitively and emotionally, positive performance on attributes that are **not** part of the consumer's prior knowledge or attribute set have the most potential for increasing the experience of delight. For example, in renting a hotel room at the beach, a consumer may go in with expectations about price, room service, food services, location (e.g., beachfront), transportation (e.g., van travel from the airport). If the hotel lives up to the consumer's expectations on these dimensions, the consumer will be satisfied with his or her consumption experience. However, the consumer may not know that the hotel provides free use of snorkeling gear, rafts and surfboards, and on-the-beach food and beverage catering services. The surprise and satisfaction these unforeseen attributes bring to the consumption experience are more likely to result in a feeling of delight above and beyond satisfaction.

> P1: Positive performance on an unanticipated satisfying product/service attributes will have a significantly greater impact on customer delight than positive performance on an anticipated or expected product/service attribute.

CUSTOMER DELIGHT AND SOCIAL FACILITATION

There is considerable evidence in the social psychology literature that individuals perform better in a group situation than when they are alone and this phenomena is referred to as social facilitation. Social facilitation theory (Zajonc 1965, 1980) assumes that the presence of other people increases the energy of performers, makes them more alert and more motivated, and will result in positive affect because others fill the time in distracting and/or entertaining ways. Higher performance levels are achieved because the presence of others in a performance situation increases arousal and positive affect, and, in turn, affects performance outcomes.

Social facilitation research has found, for example, that people in groups remained significantly longer in coffeehouses than did lone individuals (Sommer and Sommer 1989) and that the size of the drinking group determined time spent in the pub (Graves, Graves, Semu, and Sam 1982). Granbois (1968) found that group shoppers tend to spend more time in retail stores than lone shoppers. Whereas these groups may be preselected (e.g., friends, professional colleagues), groups of strangers may also form for consumption purposes. Social facilitation theory suggest that, other things being equal, groups will remain longer in a setting than will lone individuals and will engage in more activities positively associated with the consumption experience (Sommer and Sommer 1989).

By viewing consumption as performance and acknowledging social facilitation effects, an alternative way of framing the consumer delight process emerges. When consumers perform, the presence of others can initiate the arousal → positive affect → delight sequence.

The presence of other people can also be intrusive, generating negative affect. Social intrusion is a term used to signify that performers did worse in the presence of others. When customers are waiting for many services, the groups that form are not always voluntary. If others are unwelcome, then a negative affective state may result. Models of over-stimulation (Baum and Paulus 1987) have suggested that environments that expose individuals to unwanted or uncontrolled intrusions are associated with negative affect. Customers may feel intruded on when others are engaging in behaviors such as smoking or loud talking or when a setting is perceived to be crowded (Hui and Bateson 1991).

Zajonc (1965, 1980) helped resolve the mystery of mixed results concerning performance and the presence of others. He noted that in social situations, people tend to perform better when their task is simple or well learned (e.g., something they could successfully accomplish with relative ease) but tend to do more poorly when the task is complicated (e.g., something that is difficult for them to perform). The following two propositions relate the presence of others and the performance ease/difficulty to customer delight:

> P2: The more other customers in the consumption environment are welcomed by consumers the more positive the affect and the higher the customer delight.

P3: Easy (difficult) consumer performance in the presence of others will be associated with more positive (negative) affect and higher (lower) customer delight.

EXPLORATORY RESEARCH FINDINGS

In order to examine customer delight from both the expectancy-confirmation paradigm and social facilitation theory, we needed a consumption setting in which product performance and consumer performance were salient. The consumption setting chosen for the study was a drumming workshop for women. The two-day workshop was advertised nationally on various web sites and through a variety of music stores. The workshop was held in North Carolina and scheduled for a Friday night (7pm-10pm) and Saturday (10am-4pm) during the month of March. A partial description of the workshop and biography of workshop facilitator, Ubaka Hill, taken from a flyer is as follows:

> Drumsong workshop is the exploration of rhythm and vibrations. Learn complete drum songs based on various cultural rhythmic styles. We will focus on developing and improving playing techniques, breathing, tonal clarity, concentration, dexterity, tone, time and variation dynamics, creative inventiveness, vocalizing, and community drumming...
>
> Ubaka Hill - native New Yorker, percussionist, vocalist, songwriter, poet, teacher. Her specific focus as a teacher is to encourage, motivate and create forums that will re-integrate womyn and girls into the varied experiences of individual and community drumming as a woman's birth-right; to re-connect with our ancient female-centered drumming traditions and reestablish ourselves as a part of this continuum.

Research Method

An interpretive method was chosen to explore the social aspects of the consumption venue and consumers' responses to their own consumption performance. We used introspection as a research method, specifically researcher introspection (e.g., Gould, 1991). Introspection research has a number of variations, all of which involve at least one individual providing verbal data on aspects of his/her experience that are consciously available to the introspector but not directly observable by another person. Researcher introspection is the form of introspection in which the researcher studies him/herself; the researcher and subject/informant are the same person, and there are no other subjects/informants (e.g., Hirschman 1990; Holbrook 1986, 1987; Lehmann 1987; Pollay 1987, Scammon 1987; Williams 1992). Although researcher introspection has several limitations (e.g., Wallendorf and Brucks, 1993), we apply it here to provide a beginning point in discussions about consumption performance and customer delight. Twenty-one women of various age and ethnic backgrounds attended the workshop. Direct quotes are reported although the participant names have been changed for confidentiality.

Expectancy-Confirmation and Consumption Delight

I held expectations about the workshop in terms of drumming instruction, the workshop facilitator expertise, and the consumption environment. The workshop was held on the grounds of a church. One of the smaller buildings on the site was used as our drumming area; Saturday's lunch was catered in an adjacent building. We sat in a semi-circle with Ubaka Hill, the workshop facilitator, at the center. The building was not acoustically designed for drumming, but the space was clean, well lit, comfortable, with easy access to restrooms and the adjacent dining area. The landscaping was visually appealing with an abundance of mature trees and plants. Friday night's weather was clear and cool. Saturday was a warm spring-like day, sunny and bright.

Expected Workshop Attributes. As expected, over the course of the two days, we learned specific drumming techniques, the facilitator was friendly and knowledgeable, and the setting was pleasant. By the close of the workshop on Saturday we were able to play 4 different songs. We received proper instruction on

drumming techniques. Ubaka would instruct us on the three to five parts of any particular song. We would choose the part we wanted to play, with encouragement from Ubaka to experiment. I remember hearing our novice group play and it all coming together to make "drumsong."

We also discussed the history of women and drums. As promoted in the workshop flyer, we connected drumming with breathing and creativity. Workshop participants were encouraged to reconnect with the female-centered drumming tradition. As expected, I felt reconnected with my vital energy/spirit and a sense of community with the other workshop participants.

Unexpected Workshop Attributes. Before the Friday evening session began, women milled around the tables where "drum stuff" was on sale. The name of one of the manufacturers of the products displayed was actually "drum stuff." Through "small talk" I learned that the vendors were workshop participants who labeled themselves as beginner/intermediate drummers. On display were drum straps (for holding your drum), drum hats (for covering for your drum skin), and drummer's hand cream (for massaging hands and drum skins). One of the vendors/ workshop participants was a drum-maker. She sat tightening the drum skin on one of her hand-made drums while answering questions from a number of workshop participants about the manufacture, price, and attributes of the drums for sale.

One of my unexpected experiences was building a drumming vocabulary. I was fascinated to learn that one could "dress" a drum and "talk" to a drum. To my surprise I was building a drumming vocabulary that would include popular and traditional terminology. Phatic communication, a special communication within cultural groups, understood by insiders, that provides a transcendent or special identity by signaling cultural membership (Celsi, Rose and Leigh 1993). Developing a drumming vocabulary was not an expected attribute of the workshop, yet I felt special and connected to the workshop experience and the larger drumming community because of my newly formed vocabulary.

I was surprised at Ubaka's level of self-disclosure in that she went beyond discussing her drumming background but also volunteered information about herself and she volunteered to help with our drumming interest in various ways. For example, she shared her visions of a robust female-centered drumming community. On Saturday morning, after a short meditation and review of drumming technique, Ubaka shared with us her vision of an appearance on the Oprah Winfrey show. The enthusiastic group took up the cause, discussing how electronic mail could be used to show Oprah the level of interest in the community, and how drumming fits Oprah's "remembering spirit" theme.

The level of personal contact with Ubaka that was available to us was unexpected in other ways. She volunteered to look at our drums during the break to assess them for us if we desired such an assessment. She also offered to show us how to strap the drums on and care for the drum skin. At the end of the workshop, she autographed compact disc and audio-tape covers.

Social Facilitation and Consumption Delight

Social facilitation refers to enhanced performance in the presence of others. Field notes relating to the social motives for workshop participants are analyzed first. Then observations regarding the complexity of the drumming instruction and the resulting impact on customer delight are summarized.

Participants Social Motives. From the moment I heard drummers at an African Dance over a decade ago I had a desire to learn how to drum. The drumming that complemented the dance class was vibrant and moving. I have enrolled in a number of African dance classes in various cities. The drummers have always been male. I was left wondering if any drummers were women and if I could be a drummer.

It was not until a year ago that I happened upon a compact disc recording of a female drummer -- Ubaka Hill. The compact disc was entitled "Shapeshifters" and had tracks with names like "sistory," "the womyn united," and "if the drum is a woman." The cover featured Ubaka, an African American woman with hair woven in nubian locks, surrounded by a mosaic of plant and animal life. Listening to Ubaka's compact disc confirmed my question of the existence of women

drummers and affirmed my interest in drumming. I thought drumming would be a creative pastime and a way of connecting with my higher self and other women.

The workshop facilitator also reinforced social linkages via her description of drumming history. She spoke of the history of women as drummers and referenced our mothers', mothers', mothers' legacy of drumming. She recommended a book by Layne Redmond (1997) entitled, "When The Drummers Were Women." Layne Redmond provides a perspective on the shared consumption legacy of women and drums:

> "In modern times, drummers have been almost exclusively men, but more and more women are rediscovering their ancient birthright. Every year there are more professional women percussionists. And yet at the same time many women are returning to the drum not for a profession but to recover an important spiritual connection to health and to one another that has been lost - a connection buried but somehow instantly familiar (p.1)."

I observed how Ubaka managed group performance by emphasizing the importance of every "voice" and the interconnectedness of the drumming in the creation of drumsong.

During the lunch break on Saturday, I questioned a number of the workshop attendees about their interest in drumming and their motive for attending the workshop. Nicole, an African American female about 23 years of age, was a college student majoring in African American Studies at a predominately white university in North Carolina. She had written a story about Ubaka in the college newspaper. When I asked her about her interest in the workshop, she indicated that she was given a drum by a female acquaintance who said that she "should be drumming." Nicole said she wanted to improve her skill and also hoped she could get a job working with Ubaka as her assistant.

Although Nicole was the first participant that I questioned, as my inquiries proceeded, a similar pattern emerged generally. Many of the workshop participants spoke of social motives to attend as well as other unique motives. For example, Joan said she attended the drum workshop as an alternative creative outlet. A knee injury prevented her from dancing. Joan was a middle-aged white woman who confessed a loved for dance and felt that she could still enjoy the music and rhythms associated with dance through drumming. She considered herself an intermediate drummer and had participated in a number of similar workshops. When asked what her primary goal was, she responded that it was "to improve her drumming technique." She continued stating, "I don't get the chance to drum with others as much as I would like to."

Patricia, an African American female in her early thirties, lamented that she "didn't want her drum to sit idle in a corner, like an unused piece of furniture." She had recently returned from a trip to Ghana where she had purchased her drum. She mentioned that this was her first exposure to a drumming workshop and was "ecstatic about the opportunity to connect with other female drummers." In addition to having a chance to play her drum, Janice wanted to start a drumming circle so she could play more frequently and thought she could recruit women at the workshop. Tanya, the drum-maker, was interested in connecting with potential clients as well as improving her technique.

In this consumption venue, it appears that other consumers were most welcomed and appreciated. Many of the participants explicitly desired a shared consumption experience. More explicit inquiry and analysis would be needed to fully explicate consumption goals (e.g., Houston and Walker 1996; Pervin 1989) and their differential impact on customer delight.

Complexity of the Consumption Performance. In terms of arousal and positive affect from consumption performance, my energetic and enthusiastic response to drumming with and without technique is consistent with an important observation by Zajonc (1965, 1980). As previously mentioned, Zajonc helped resolve the mystery of mixed results concerning performance and the presence of others. He noted that in social situations, people tend to perform better when their task is simple or well learned (e.g., something they could successfully accomplish with relative ease) but tend to do more poorly when the task is complicated (e.g., something that is

difficult for them to perform).

I had expected the first night to be mostly lecture with a little time for drumming at the end. To my surprise we commenced drumming very early into the night and we alternated drumming and discussion in equal, short intervals. Within 10 minutes of the opening session Ubaka Hill had the group drumming. We began with drumming to accompany our breathing, our centering, and our meditation on our personal participation goals. I found myself enthusiastically beating my drum (without any type of technique), enjoying the contact with the drumskin, and the idea that I was on the "drummers path."

Within an hour of the start of the evening session we had moved on to drumming to the tune of the American classic, row-row-row-your-boat. We played together and were also staggered playing, as is traditionally done when performing row-row-row-your-boat. There was much laughter from the group and clapping as we acknowledged our successful rendition of this summer camp song. I was pleased that we began with such a familiar tune. My confidence increased as well as my consumption energy (Gould 1991).

We continued into the night learning drumming techniques, ending with a rendition of Oya's song, a tribute to the Goddess of Change, written and recorded by Ubaka on her first compact disc. The complexity of this song far surpassed that of row-row-row-your-boat. However, as we played together, each person choosing one of four possible parts to play, the song's melody was discernable and the harmony was clear. As I drove home that night, I remember feeling aroused - elated and thrilled as one might after completing a high risk activity (e.g., Celsi, Rose and Leigh 1993). The experience was so memorable that I heard drumming in my sleep.

In this consumption venue, the performance task began as a extremely easy task of hitting the drum. The facilitator increased the difficulty in very small increments, moving from drumming without technique, to the rendition of a camp song, and finally to the rendition of a drumsong. Consistent with social facilitation theory, I found that the ease with which I could perform and claim being a successful drummer was associated with positive affect. The public nature of my performance was arousing. I was truly delighted, aroused and feeling very positive about my experience at the workshop.

RESEARCH AND MANAGERIAL IMPLICATIONS

In addition to the technical or functional aspects of a product or service, as evidenced in this exploratory study, customer delight is also affected by a customer's interaction with other customers. The customer-to-customer interaction had implications for marketing researchers interested in the study of customer satisfaction and delight and implications for practitioners. The following discussion of research and managerial implication provides some direction for the exploration of these two sources of customer delight.

Research Issues

Consumer delight research is in its infancy. Based on the wealth of information on customer satisfaction, we believe that the attribute approach has value in the study of consumer delight. As evidenced in the satisfaction research, consumers, practitioners, and researchers find benefit in an attribute-level product evaluation. Consumers are likely to render evaluations of their information search and post-purchase experience at an attribute level. Practitioners are likely to find diagnostics of customer feedback useful at the attribution level. Researchers are afforded a higher level of specificity using product attributes. Thus we believe that attribute analysis based on the expectations-confirmation paradigm can be appropriately applied to gain a better understanding the customer delight process.

Because the links between consumption as performance and consumer delight are relatively unexplored, a variety of methods will be necessary to test the propositions offered in this paper. Field studies, field experiments, and laboratory experiments all can make important contributions. Factors that influence the choice of research strategies include the researchers' access to field sites, cost, ability to provide adequate experimental control, and ease of manipulating environmental conditions. We need to learn what aspects and forms of consumer performance provide diversions

strong enough to override product performance (e.g., concerts versus parks). Control for interactions of various effects in the consumption venue is needed (e.g., friends versus strangers) and the possibility that one element may be so salient to consumers that it overshadows another element (e.g., the number of other consumers). In addition, an examination of the effects of consumer characteristics such as race and gender on the relationship between consumption performance and consumer delight is needed. For example, individual differences in affinity-seeking may moderate the relationships between consumption performance and customer delight.

Managerial Issues

Other customers become the audience or participants in an enacted consumption performance. Thus, customer compatibility (or lack thereof) has real effects on consumer delight and is a matter of concern among customers and for marketing practitioners. The consumption venue can be used to foster compatible customer-to-customer relationships. As a foundation to managing customer interactions, the more homogeneous the market, the less likely conflicts will occur between customers. Therefore, firms that serve more than one market will want to minimize interaction between different groups of customers.

Firms can manage customer performance by engineering the environment to maximize the probability of interaction between "similar others." For example, seating can be arranged in small circular designs to promote conversations. Areas can be designated for consumers with similar issues. For example, Pediatricians often will designate a sick-child waiting room versus a well-child waiting room. Practitioners may also need to enforce codes of conduct for customers based on the consumption setting as done, for example, in fitness centers and restaurants. Finally, employees may also need training to manage potential customer-to-customer contact and conflict.

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DEEP, SOULFUL SATISFACTION

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ABSTRACT

This paper suggests that research into satisfaction should consider not only delight but also deep satisfaction. Deep satisfaction is defined as a condition in which consumers feel that something has touched their souls. Soulful consumption is felt to be important given the recent consumer trend toward spirituality. This paper summarizes current hypotheses about soulful consumption, and suggests new hypotheses about it based on analyses of excerpts written by famous novelists.

BACKGROUND

The topic of delight or high customer satisfaction (or "excitement", Coyne, 1989) has received a lot of attention lately. Marketers see it as a key to brand loyalty, consumer researchers see it as an interesting psychological state, and everyone appreciates its general importance in terms of enhancing the overall quality of daily life.

The idea of "delight" however, has some problems. First, it connotes a temporary state. In the Merriam -Webster Thesaurus (1977) , for example, the verb "to delight" is related to the verbs "divert, entertain, allure, attract, and transport." (p. 144) In other words, part of its meaning refers to a temporary state of being taken away. A concert, for example, or a good meal are temporary sources of delight. As we know, however, in new product development, "delighters" quickly become "must haves" (Clausing 1994) so the whole round of finding new "delighters" begins all over again. Should a life goal be a constant search for the next thrill, the next delight? Second, the word connotes an extreme state. Webster (1977) defines it as "extreme satisfaction", "high degree of gratification" and "great pleasure." A euphoric state is hard to achieve let alone maintain. Is this a meaningful life goal? Do people actively seek this type of bliss? One can go to Disney World but what's next, "Super Disney?" Then "Mega Super Disney?"

Rather than high-delight, high pleasure experiences, many U.S. consumers today are felt in the popular press to be focusing on experiences for their own sake, or, in other words, for their *spiritual* value (Popcorn and Marigold 1998). They do not seek a high, over-the-top satisfaction but rather deep, life-affirming satisfaction. Their goal is not that something over-delivers on some set of expected dimensions but that it is deeply appreciated *for itself.* Whole industries including publishers, internet sites, television programming, and seminar series are devoted to finding and heightening the spiritual content of daily life. Americans are everywhere admonished to slow down and contemplate the joys of daily life which are currently available (e.g., Canfield and Hansen, 1995). Just as Post-Modernists call for a re-enchantment of daily lived experience (Firat and Venkatesh, 1995), one of the most popular new books is titled *The Re-enchantment of Everyday Life* (Moore, 1996). A newspaper columnist writes, "In this age of ever more complex materialism, my mother's supreme gift was the daily taking of great, satisfying pleasures in small things." (LeBrun 1999 p. B1)

At the same time, there are forces on marketers today to be to be more accountable. There are pressures from the government as well as consumer groups to make products good in a general sense, good for the earth, good for the person, and inherently good for society (Porter and van der Linde 1995; Hamel and Prahalad 1994; Maio 1999). A high soul product represents a win-win situation for manufacturer and consumer.

The purpose of this paper is to review theories about the soul and learn more about soulful consumption. Besides reviewing current theories, the report also analyzes descriptions of soulful consumption written by famous novelists. The report concludes with implications for satisfaction, delight and soulfulness as goals for researchers and market planners.

Note that the paper has no conclusive answers on this subject. The topic of soulful consumption is so broad and so interconnected with other topics (religion, ritual, aesthetics) that the goal here is merely to generate some ideas about what soulful consumption is. Further, since this is a new area of research, a major goal of this paper is simply to explore the best way to research the "soul"

question. The writer is trying a number of research approaches and is trying to see which approaches are most productive.

SOULFUL CONSUMPTION

Soulful consumption is very close to sacred consumption. Research on the latter (see Belk, Wallendorf and Sherry 1991; Belk 1987; and Hirschman 1988) provides a deep understanding of social definitions of sacred versus profane consumption and how items are sacralized or profaned under different personal and social circumstances.

Many of the criteria which apply to sacredness also apply to soulfulness. Both the sacred and the soulful involve mystery, spirituality and a quality of otherworldliness. Also, items become sacred - and gain "soul" - through ritual behavior, gift-giving, and inheritance (Belk, Wallendorf, and Sherry 1991). Further, many items that are felt to be sacred *and* soulful represent an interesting paradox: even though they are common, everyday objects, they can have deep special meanings. A battered old wooden desk pencil holder can be very sacred *and* soulful if it was a gift made in a child's Cub Scout pack. Finally, both sacredness and soulfulness are qualities that are probably learned. Children in different cultures learn at a young age that certain stimuli - items in a church, works of art, certain music - are sacred and "move the soul." These stimuli evoke special feelings later when these people are older.

At the same time, there are important differences between sacredness and soulfulness as conceptual starting points for examining consumer behavior. First, theories of sacredness are grounded in religion. Belk, Wallendorf, and Sherry, for example, base their definition of sacredness on theories of religion from James (1961), Roberts (1984) and Mauss (1925). Thus, sacredness involves properties such as sacrifice, solemnity, and opposition to the profane.

Concepts of the soul, in contrast, are older and broader. Many ideas of the soul predate many religions, some dating back to Plato and Aristotle (in Van Peursen 1966). More recent theories of the soul come from Freud, who equated the soul with the psyche (in Bettleheim 1983). Whereas religious views of sacredness involve sacrifice and denial, the soul is thought to crave pleasure and happiness (Moore 1996).

Second, research to date on sacredness focuses mainly on *objects*. It focuses on the manner in which *objects* are socially defined - or become - sacred or profane, on how they differ in terms of sacredness from one cultural setting to another. Questions about the soul, in contrast, are questions about *people*. The question here is not about the spiritual impact on the *object* but rather on soul of the *person*. An object is sacred or profane, but a soul belongs to a person. This is an important distinction. Theories of deep or spiritual consumption should focus on this type of consumption as a *subjective experience*, yet research on sacredness focuses on external issues such as spatial dimensions (e.g., the altar is a more sacred space than the pews) and interpersonal issues (e.g., gifts.) What happens subjectively when the experience is "soulful?" What does it mean when a man or woman says that something touched his or her soul?

SOULFUL CRITERIA

The soul is obviously not easy to define. Philosophers, writers, and have offered numerous definitions.

Most suggest that the soul is a living force which is independent of the person, and acts in a directive manner toward the person as in Plato's helmsman-to-ship metaphor (Van Peursen 1966). While the soul and body are closely connected, the soul is "higher." It is the link with the cosmos and is concerned with "higher" things. Amourousness, for example, is a concern of the body while love is a concern of the soul (Van Peursen 1966).

In a recent series of New Age books (Moore 1992; 1996; Canfield and Hansen 1995), writers describe items and experiences which they feel touch their souls. These books are not based on research, so a recent study (Durgee 1999) was conducted in which adult respondents were asked to list and describe items which they felt were particularly soulful. Items that were mentioned in the books and the study were as follows: foods and cooking, professional sports, art, gardens, Lancome Skin Cream, cotton, live music, washing dishes, old houses, Dove soap, Finesse Shampoo, teddy bear, bed, herbal medicines, outdoor hiking

items, a wooden bowl, dog, window seat, woodworking tools, and a mountain bike. In the study, respondents said that these are not "temporary delighters" but rather "constant sources of satisfaction."

The criteria respondents used to explain their selections are listed below. These criteria are interesting because they represent "how to do it" guidelines regarding soulful consumption.

1. High in detail, high in contemplative content. Items such as art require time for contemplation and study. Moore (1996) recommends looking for an item's "interiority," or it's inner workings.

2. Awe-inspiring, magical, mysterious. People say they are in awe when they hear a great jazz musician or see a pro football player make an unbelievable catch. These seem to be magical, not of this world.

3. Involve hands-on manufacture, hands-on consumption. Art is again a good example. In art, production and consumption occur simultaneously. A sculptress produces her work - and her production activity involves many autotelic, consummatory gratifications. She shapes her work then runs her hands over it.

4. Close connection with nature and natural forces. Respondents felt that nature is very close to the soul and that activities and objects - such as rock climbing and even mountain bikes - which are close to nature gain soulfulness by association.

5. Designed by someone who understands the spiritual context or "temenos." A series of Moslem mosques were recently built which reflect Moslem ideas of eternity (Muschamp 1998). Shaker furniture is thought to reflect Shaker spirituality, and the new baseball parks are designed to be shrines to baseball.

6. Ties to the past, archetypal themes. Old things are felt to have a lot of soul. People say they feel soul in old houses, for example, and old books. Market researchers today know that in order to reach people's deepest feelings about objects, they need to probe early, warm associations with these objects (Ball 1999).

7. Can involve unhappiness. Moore (1996) writes that there is soul in sad things as well as happy ones. People are often attracted to art that involves sad themes. Movies and stories about the Holocaust tap deep emotions.

8. Has imperfections. The finest pieces of art are full of flaws. Frank Lloyd Wright's famous building Fallingwater, for example, has so many structural problems that it is falling down.

9. Versatile, multi-sensory, touches people many different ways. People experience soul in items that touch them in many different ways, that impact many different senses, that do many different things. A tree, for example, can be experienced many different ways. Even the tiniest part of that experience is felt to be important. Emily Dickenson said of food, "the smallest ingredient is the most powerful." (in Moore 1996, p. 63)

10. Own volition. One woman said she found gardening to be a soulful experience because she could "do it for it's own sake," that is, there is no external compulsion. By comparison, she said she deeply resented having to answer phone calls and early morning email.

11. Feel life more intensely. A woman respondent who said she feels soul in Lancome skin cream said it was because it made her feel very alive in the morning when she put it on. Similarly, the designer Milton Glaser says that great art makes us feel good about life in general (Glaser 1991).

12. Higher order values. Maio (1999) associates soulfulness with companies such as the Body Shop which manufacture products which are environmentally friendly and represent other higher order values such as safety, good pay and security for workers.

A problem with these dimensions, however, is that they are very idiosyncratic. If a product or service was designed which incorporated many of these dimensions to a high degree, a consumer might feel that it touched their soul. The new Volkswagen "Bug", for example, is based on the archetypal VW form from the 50's, represents a social value (lower pollution), and even has a connection to nature (flower vase, advertising featuring flowers) - and is extremely successful. Many people might call this a "high soul" design. At the same time, any one or two dimensions alone are probably not sufficient to generate this response. One person might feel that something old and handmade "has soul" but there is no guarantee that anyone else would.

It was decided, therefore, to consider soulful consumption from another vantage point, writings about it from famous novelists. It was felt that these writings would be experienced as soulful by larger numbers of people. They can be viewed as artifacts or examples of soulful consumption that are widely agreed upon to be among the most evocative descriptions in the world. The next section describes this approach and the subsequent findings.

SOULFUL EXPERIENCES AS DESCRIBED BY NOVELISTS

Experiences such as delight, deep satisfaction, and soulfulness have to do with emotional qualities, and no one is more skilled at describing emotional qualities than great novelists. These novelists' greatness lies in their ability to identify and communicate key emotional properties of an experience - and draw corresponding emotional responses from readers. (Lindesmith, Strauss, and Denzin 1977).

Note that the idea of analyzing novels, television, theater, and movies to understand consumption behavior is not new. Recent excellent examples include Holbrook and Grayson's (1986) analysis of the movie "Out of Africa" and Hirschman's (1988) analysis of consumption symbolism in popular television programs of the 70's.

In these analyses, however, the focus is on the role played by material objects in terms of symbolism, plot lines, and characterizations of individual actors. *They do not include analyses of writers' descriptions or feelings about material objects.* This is an important difference. A novelist might write, for example "Joe drove a Jeep." One way to interpret this datum might be that "Joe is down to earth." This type of analysis is easy in the sense that the data (cars "Joe" might drive, clothes he wears, houses he lives in) are often in the text. There are many references to consumption goods in literature, movies and other mass media.

A *different* passage, however, might be the following: "Joe liked his Jeep because it let him sit up high, king-like, looking down on traffic from his steel and vinyl throne." Passages like this are not only passages about a character being associated with an item, they also include evocative descriptions of the *character's deep feelings about the item.* There are no analyses of this type of passage because these passages are simply very hard to find. This researcher reads a lot and maintains a small file of consumption descriptions photocopied from over 70 novels. Perhaps as a result of post-World War II consumerism, novels of the fifties and sixties (e.g., Steinbeck 1962, Bellow 1964) seem to have more of these descriptions than other novels - although they are still hard to find.

The eighteen passages were selected based on the researcher's judgement that they were good examples of "high soul" consumption. The best novelists work for many hours to craft passages such as these so they capture exactly the intended emotional qualities of these types of experiences. In order to reduce researcher bias, the eighteen passages were also given to a small sample of 12 adults (five females, 7 males). Each respondent was asked to indicate which passage "most touched their soul." Four of the most frequently selected passages are presented below.

Gloves

"I talked yesterday about caring. I care about these moldy old riding gloves. I smile at them flying through the breeze beside me because they have been there for so many years and are so old and so tired and so rotten there is something kind of humorous about them. They have become filled with oil and sweat and dirt

and splattered bugs and now when I set them down flat on a table, even when they are not cold, they won't stay flat. They've got a memory of their own..." (Pirsig 1974, p. 38)

Sailboat

"Lingard's love for his brig was a man's love, and was so great that it could never be appeased unless he called on her to put forth all her qualities and her power, to repay his exacting affection by a faithfulness tried to the very utmost limit of endurance. Every flutter of the sails flew down from aloft along the taut leeches, to enter his heart in a sense of acute delight; and the gentle murmur of water alongside, which, continuous and soft, showed that in all her windings his incomparable craft had never, even for an instant ceased to carry her way, was to him more precious and inspiring than the soft whisper of tender words would have been to another man. It was in such moments that he lived intensely, in a flush of strong feeling that made him long to press his little vessel to his breast. She was his perfect world of trustful joy." (Conrad, 1920 p. 47)

Motorcycle

"I pull up alongside John and throw my hand ahead in a 'Speed up!' gesture. He nods and opens up. I let him get ahead a little, then pick up to his speed. The engine responds beautifully - seventy ... eighty ... eighty-five ... we are really feeling the wind now and I drop my head to cut down the resistance ... ninety. We whizz through the flat open land, not a car anywhere, hardly a tree, but the road is smooth and clean and the engine now has a packed, high rpm sound that says it's right on." (Pirsig, 1974, p. 26

Coffee

"He opened a fresh can of coffee, much enjoyed the fragrance from the punctured can. Only an instant, but not to be missed." (Bellow, 1968, p. 44)

The gloves passage was the first choice of 4 respondents, the sailing passage, the first choice of 3, the motorcycle, of 3, and the coffee, of 2. (The remaining passages are listed in the Appendix.) In most cases, respondents chose a passage describing some item or activity they were very familiar with (e.g., sailing). Interestingly, they often seemed to co-opt the experience, that is, let the writer speak for them. As one respondent said of the motorcycle description, "this (description) is very true to life." He said he could read the passage and feel the wind in his hair and hear the noise of the engine.

These are among the richest, most vivid descriptions of these experiences in the world. Compare the sailboat description with a survey question which asks, "On a scale from I to 10, how satisfied would you say you are with your sailboat?"

None of the descriptions involve novel - or "new delight" - experiences. The items have been part of the characters' lives for some time. The gloves and motorcycle were old, the sailboat had been on many voyages with the captain, and the coffee drinker had probably been drinking coffee for many years. It is possible that soulfulness cannot be achieved quickly but rather requires many years to build, much like the relationships can require many years to become close, caring relationships. To appreciate the soul in something, a consumer might have to invest a fairly long time commitment to it. With time comes a closer familiarity and a deeper appreciation of things.

On the one hand, the sailboat and motorcycle might be perceived as high involvement items (especially if one is going 90 miles per hour), so a deep emotional commitment might not be unexpected. On the other hand, the gloves and coffee represent basic, everyday products - yet they still inspire very lyrical images.

In these passages, it is possible to see many of the soulful consumption criteria we listed above.

1. High in detail, contemplative content: The detailed description in the Conrad passage, even down to the leeches in the sail. As with all great, creative descriptions, the descriptions here are so vivid that one can easily see each scene in one's mind.

2. Awe inspiring, magical: The miraculous way the Conrad ship keeps it headway, even in light breezes ("never ceased to carry her way.")

3. Hands-on: Direct, tangible feel of the gloves, smell of the coffee.

4. Connected to nature: Ship on the ocean.

5. Designed with Temenos: In the Conrad novel, the ship was personally designed and built by the captain based on his feelings and desires about sailing.

6. Ties to past: The old associations and history of the gloves.

7. Imperfections: Mold, dirt, bugs in gloves.

8. Versatility, Multi-sensory: Gloves are probably used for more than motorcycle riding. Involve touch, smell, odd appearance.

9. Own volition: Feeling of freedom, independence on motorcycle.

10. Feel alive: The sailboat gives the captain moments in which he "lives intensely."

The main question here, however, is what can be learned about soulful consumption from these passages which cannot be learned from the earlier consumer interviews? If these are widely agreed upon to be among the world's best available descriptions of heartfelt, soulful consumption experiences, what can be learned from them about this type of consumption?

There appear to be three new dimensions:

1. Meet difficult challenges, serve faithfully over a long time as in a person-to-person relationship.

The gloves have survived a lot of tough conditions. When the ship is squeezed into a shallow anchorage, she does so willingly. When the motorcycle is pushed to speed up, "the engine responds beautifully." Whenever a new coffee can is opened, it always gives a strong fragrance. The subjects have undoubtedly been using these items for a long time, so they have built up faith in these items over a long period. The writer, who lives in snow country has friends who say that their cars "got them through" a lot of tough snowstorms, and that they feel very grateful and reverent towards these cars.

As indicated above, the objects described here also seem to have their own magical, lifelike animating force. Obviously, novelists are taught to write in an active voice. They would not write, "more gas was given to the engine" but rather "the engine responded beautifully." Readers like objects to be anthropomorphized since this gives them more interesting qualities: the gloves "have a memory of their own" "...and the brig "put forth her power." (Glicksberg 1961)

Insofar as these objects are felt to have human properties, the relationship of person to object is that of a soul to soul relationship. The person cares about the object - and the object "cares about" the person, or, as Csikszentmihalyi and Rochberg-Halton (1981) might say, the person cultivates the item - and the item cultivates the person. In the Conrad passage, the captain relies on his sailboat - which unfailingly responds to his wishes. While Fournier (1996) writes about person-brand relationships and compares them to different types of interpersonal relationships, she does not describe any examples of this type. The closest she comes to this type of relationship might be what she calls a "friendship" relationship - although in her case, she does not refer to active properties on the part of the product to spontaneously do things for - and care for - the consumer. In designing new consumer products which generate high consumer satisfaction, if a product could somehow "look out for" the user, this would be very important. Embedded intelligence in new technology products is making this increasingly possible. (Deshpande 1999).

2. Odd character - which can be represented in terms of unusual metaphor.

In each case, the writer notices interesting, unusual properties in the objects. The gloves, for example, take shapes resembling the lead character's hands, and the coffee gives off a strong odor. Each soul is thought to be unique (Van

Peursen 1966), so it makes sense that these writers stress the items' odd or unique properties.

To maximize the reader's feeling of enjoyment and soulfulness in the items, the writers use metaphors to highlight these properties. They use metaphors to highlight the properties *and* bring out, from the readers' side, latent, warm feelings about these items. The sailing ship is not just faithful and compliant; it is faithful and compliant like a loving woman. The motorcycle makes a "packed" sound, and the coffee gives off a "fragrance."

Stemberg, Tourangeau, and Nigro (1993) say that in order to have the greatest affective impact, a metaphor should represent low "within-subspace" distance and high "between-subspace" distance. If the key property of the sailing ship, for example, is compliance, Conrad might have chosen a metaphor from the same semantic subspace, that is, from boats in general. The ship might have been "compliant like a good tugboat." This is satisfactory but it lacks excitement. Instead, Conrad uses a metaphor from a very distant semantic subspace from boats, humans. He writes that the boat is compliant like a loving woman. This describes Conrad's hero's deep feelings about the boat and probably elicits agreement and deep feelings from readers. Readers feel the soul in the boat, and agree that there are many other properties shared between loving women and faithful sailboats.

When one respondent read the motorcycle passage, he especially liked the word "packed." In a motorcycle at slow speed, one hears the sound of separate pistons firing. In contrast, in a very high-revving motorcycle, the sound is a continuous, hard, solid roar. The word "packed" is unusual in connection with a motor. It would apply more readily to storage spaces, suitcases or ice-cream. It brings out the soul of the speeding motorcycle engine, however, insofar as it reflects the sound but also connotes high effort, concern, density and heaviness. The label fits the experience insofar as a high speed motorcycle run requires effort, concentration, and generates a lot of mass, in short, involves a packed, intense feeling.

3. Gestalt-like.

A soulful consumption experience seems to consist of many different elements. The character in the novel - and presumably, the respondent - is not reacting to an isolated attribute or component of the experience but rather to a total gestalt. The soul does not come out from a single item but rather a group of items working together, just as in music, a single note produces an effect but a chord or group of notes in harmony can produce a much more profound effect. In analyzing qualitative data, McCracken (1988) advocates focusing on individual units (steps in a ritual, individual behaviors, respondent comments) alone - and then in combination with other units. In the motorcycle passage, there is the motorcycle but there is also the slow build to 90 mph, the wind, the open, clean road, and the packed engine sound. In order to have soul, the items work together to create an image, just as elements in a painting compliment each other to create a desired effect.

Note the difference here between a typical satisfaction assessment in marketing and this type of experience. In the marketing assessment, the goal is that the product or service scores high across the board, that is, gets high marks from consumers across all dimensions. In a soulful experience, what counts is the right combination of elements, each working in concert with the other. Some might score high or low; the important thing is that all are there and all are working together. If a person had, for example, a favorite room in his or her house, he or she would probably not compare each item in the room in terms of all other items anywhere in that category. One would not expect the rug to be the best of all rugs, the wallpaper to be the best of all wallpaper. Rather, the items are evaluated in terms of how well they compliment each other.

Interestingly, when the respondents described their feelings about these experiences or passages, they tend to do so in terms of gestalts of their own. They read a passage, focus on two or three elements, pull from them an emotional quality, then scan their memories for an "experience gestalt" that represents the same emotional quality. Respondents read the glove passage, for example, focussed on a few elements - old clothes, musty, memories, can't throw away - then remembered old clothes of their own. One respondent liked the gloves passage, and thought of his collection of old T-shirts and smoking cigars in them at night and,

how he can never throw them away. People feel that experiences are soulful to the extent that they match soulful experiences they have experienced previously. One male respondent liked the motorcycle description because the danger and life and death quality of the high speed run reminded him of mountain-climbing, something he feels is very soulful.

SUMMARY

There seem to be three questions driving research on satisfaction: (1) What is it? (2) How can it be designed into products and services? and (3) How can it be measured?

The purpose of this paper was to describe soulful consumption or "deep satisfaction" and learn more about it using descriptions of consumption experiences written by leading novelists. A review of the literature as well as the novelists' excerpts suggests that soulful consumption involves many criteria:

Slow, contemplative consumption
Hands-on, hand-made
Connected to nature, natural forces
Designed by someone who knows temenos
Tied to past, to archetypes
Can involve unhappiness
Often has imperfections
Versatile, multi-sensory
Do out of own volition
Feel alive
Represent higher order values
Mutual caring between person and object
Odd character - which can represent in metaphor
Gestalt

If this quality were to be designed into a new product, one could follow these criteria and come up with a design which (1) must be consumed slowly, (2) is handmade, (3) made of natural components, and so on. Research is currently underway which assesses consumers' responses to items which have many of these types of qualities built in. While it would represent a significant design challenge, it would also be interesting to see if a "caring" attitude could be designed into a product. As indicated above, this might be possible given the advances being made in AI and embedded intelligence technologies.

Another direction might be to research the extent to which metaphors could be used to direct product design. While a lot of metaphor work is currently being done in this area (e.g., Nonaka 1991, Dumas 1994), none of it involves finding metaphor-product combinations which most reflect the perceived soul in the product. That is, rather than simply using an agreed-upon metaphor as a corporate-wide focusing device in new product development, a better approach might be to expose a long list of novel, creative metaphors to consumers in qualitative research settings, and ask them which metaphor most captures the soul of the product under study. Selected metaphors then provide direction for new product development.

More interesting are the issues of assessment or measurement. If the soulful consumption experience is one of a gestalt, the measurement should not be of individual experience components alone but rather how they compliment each other. Restaurant satisfaction surveys, for example, implicitly compare the "service" with the service in all restaurants the diner has ever visited. Instead, the survey might assess the service in terms of how well it fits the overall theme of the restaurant including all the other items: food type, decor, prices, etc.

Appendix
Products and Literary Passages

Motor oil
"At a filling station next to the restaurant I pick up a quart of oil, and in a gravelly lot back of the restaurant remove the drain plug, let the oil drain, replace the plug, add the new oil, and when I'm done the new oil on the dip-stick shines in the sunlight almost as clear and colorless as water. Ahhhhhhhhhhh!" (Pirsig, 1974mm, p 303)

Taxi motor
"In Vinyard Haven he caught a cab at the dock. It turned right on the main street parallel to the harbour ... The taxi went slowly, as if it had a heart condition." (Bellow, 1964, p. 98)

Gloves
"They went out to eat. Though the day had grown hot, she stopped in the courtyard to put on a pair of net gloves; women without gloves were considered common in Madrid. For his part Clarence thought the momentary grasp of her fingers as she worked them into the gloves

was wonderful; what a lot of life she had! Her white face gave off a pleasant heat." (Bellow 1968, p. 121)

Gin
"He offered Isaac a martini. Isaac, not a drinker, drank the clear gin. At noon. Like something distilled in outer space. Having no color. He sat there sturdily, but felt lost - lost to his people, his family, lost to God, lost in the void of America. Ilkington drank a shaker of cocktails, gentlemanly, stonily, like a high slab of something generically human, but with few human traits familiar to Isaac." (Bellow, 1968, p. 59).

Gin
"Before dinner that night, Paul's sister Ellen drank too much. She was late coming to the table, and when Paul went into the pantry for a spoon, he found her there, drinking out of the silver cocktail shaker. Seated at the table, high in her firmament of gin, she looked critically at her brother and his wife, remembering some real or imagined injustice of her youth..." (Cheever, 1978, p. 84)

Gin
"... Thanks, Tommy,' he heard Eddy say and then the boy climbed up with his paper wrapped glass and Thomas Hudson tasted, took a swallow and felt the cold that had the sharpness of the lime, the aromatic varnishy taste of the Angostura and the gin stiffening the lightness of the ice-cold coconut water." (Hemingway, 1970, p. 127)

Gin
"The martinis came, not in little glasses but big as bird baths with twists of lemon peel. The first taste bit like a vampire bat, made its little anesthesia, and after that the drink mellowed and toward the bottom turned downright good..." Steinbeck, 1962, p. 170)

Coffee
"...I suppose I had better try to pull myself together a little, thought Hattie nervously in the morning. 'I can't just sleep my way through' ... She drank a cup of Nescafe and it strengthened her determination to do something for herself." (Bellow, 1968, p. 27)

Coffee
"... Hi Mr. Hawley. It's pretty good coffee.'
I greeted my old school girl friend. 'Morning, Annie.'
'You going to be a regular, Eth?'
'Looks like. One cuppa and black.'
'Black as the eye of despair'
'What?'
'You see any white in that, Eth, I'll give you another."'
(Steinbeck, 1962, p. 220)

Toiletries
"He brushed his teeth. Standing upright, scrubbing the teeth as if her were looking after an idol. He then ran the big old-fashioned tub to sponge himself, backing into the thick stream of the Roman faucet, soaping beneath with the same cake of soap he would apply later to his beard. Under the swell of his belly, the tip of his parts, somewhere between his heels. His heels needed scrubbing. He dried himself with yesterday's shirt, an economy. It was going to the laundry anyway. Yes, with the self-respecting expression human beings inherit from ancestors for whom bathing was a solemnity. A sadness." (Bellow, 1968, p. 45)

Showers
"He was ready to go for another polka when he discovered, breathing hard, that the sweat was rolling down his sides, and that another dance would make a shower necessary. He didn't have the time or patience for that. He couldn't bear the thought of drying himself - one of those killing chores he had always hated..." (Bellow, 1964, p. 165)

Make-up
"Over her brassiere and slip she put a high-necked sweater, and to protect the shoulders of the sweater she wore a plastic cape. It kept the make-up from crumbling on the wool. Now she began to apply her cosmetics - the bottles and powders filled the shelves above the toilet. Whatever she did, it was with unhesitating speed and efficiency, headlong, but with the confidence of an expert. Engravers, pastry cooks, acrobats on the trapese worked in this manner. He thought she was too reckless at it - going too fast, about to have a spill, but that never happened..." (Bellow, 1964, p. 117)

Dog
"A moment later, the stevedore appeared on deck leading by a leash one of the most handsome dogs ever seen in Maryland. He was jet-black, sturdy in his front quarters, sleek and powerful in his hind, with a face so intelligent that it seemed he might speak at any moment..." (Michener, 1978, p. 650)

Shotgun
"As a child, I hunted and killed small creatures with energy and joy ... There was a savage creativeness about it without hatred or rancor or guilt ... the war retired my appetite for destruction ... a shotgun's blast was no longer a shout of fierce happiness..." (Steinbeck, 1962, p. 130)

Gloves
"I talked yesterday about caring. I care about these moldy old riding gloves. I smile at them flying through the breeze beside me because they have been there for so many years and are so old and so tired and so rotten there is something kind of humorous about them. They have become filled with oil and sweat and dirt and splattered bugs and now when I set them down flat on a table even when they are not cold, they won't stay flat. They've got a memory of their own..." (Pirsig 1974, p. 38)

Sailboat
"Lingard's love for his brig was a man's love, and was so great that it could never be appeased unless he called on her to put forth all her qualities and her power, to repay his exacting affection by a faithfulness tried to the very utmost limit of endurance. Every flutter of the sails flew down from aloft along the taut leeches, to enter his heart in a sense of acute delight; and the gentle murmur of water alongside, which, continuous and soft, showed that in all her windings his incomparable craft had never, even for an instant ceased to carry her way, was to him more precious and inspiring than the soft whisper of tender word would have been to another man. It was in such moments that he lived intensely, in a flush of strong feeling that made him long to press his little vessel to his breast. She was his perfect world of trustful joy." (Conrad, 1920 p. 47)

Motorcycle
"I pull up alongside John and throw my hand ahead in a 'Speed up!' gesture. He nods an opens up. I let him get ahead a little, then pick up to his speed. The engine respond beautifully - seventy ... eighty ... eighty-five ... we are really feeling the wind now and I drop my head to cut down the resistance ... ninety. We whizz through the flat open land, not a car anywhere, hardly a tree, but the road is smooth and clean and the engine now has a packed, high rpm sound that says it's right on..." (Pirsig, 1974, p. 26

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"He opened a fresh can of coffee, much enjoyed the fragrance from the punctured can. Only an instant, but not to be missed..." (Bellow, 1968, p. 44)

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DELIGHT ON THE NILE: AN ETHNOGRAPHY OF EXPERIENCES THAT PRODUCE DELIGHT

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ABSTRACT

The authors investigated the concept of delight using an ethnographic approach. Specifically the analysis focused on the antecedents of delight, as experienced during a tour to Egypt. Results of the analysis showed that participant characteristics and situational variables play a role in producing delight. Experiences occurring during the trip produced positive affect, arousal and surprise which resulted in delight. Implications for managers and future research are given.

INTRODUCTION

Amazement and delight at the tomb of Neferatri:

Saturday October 18, about 25 of us are sitting on benches in an area under a roof without walls. We are awaiting our turn to see the tomb of Neferatri. Baset, a trip leader and Ph.D. Egyptologist, steps in front of the group. Attention turns to her as she begins to tell about Neferatri's tomb: "It was discovered at the beginning of this century. The frescos, wall and ceiling paintings, were on the floor as water from moisture in the air brings salt to the surface of the rock, the salt expands and pushes the frescos off the wall. They were in thousands and thousands of little pieces. I was here as a graduate student. We put the pictures back." Baset assures us that the colors are original, have not been restored or touched up. We enter the tomb and are dazzled by bright, vivid, bold fresh colors that come alive, colors so fresh they couldn't have been painted more than a few minutes ago. I hear: "Hard to believe these are from 3000 years ago!" As we walk away from the tomb others say: "that was a real treat, the colors don't seem possible." "Real stuff."

The topic of our paper is "delight", a concept that has only recently received attention in both popular and academic publications. Our report on delight starts with a brief review of what has been written on the topic, with particular emphasis on the seminal academic article by Oliver, Rust, and Varki (1997). Second, the methodology will be reported. Third, we will analyze how some participant characteristics and different types of experiences produce positive affect, arousal and surprise, three elements that combine to yield delight (Oliver, Rust and Varki 1997). The paper ends with discussion, summary and possible avenues for future research.

The setting for our research is a trip to Egypt, and the major contribution of this paper is to suggest how the consumer's background and different types of experiences combine to produce the basic elements that result in delight. Oliver, Rust and Varki (1997) have presented and found evidence in support of a theory of delight in which positive affect, arousal and surprise result in delight. Our analysis focuses on the antecedents of positive affect, arousal and surprise.

LITERATURE ON DELIGHT

Trade Publications

Most of the limited number of articles on delight primarily occur in trade publications. Delight is discussed in a wide variety of fields, and appears to have as a common theme the idea that delight is beyond mere satisfaction. Articles include: 1) using delight in a restaurant setting to keep customers returning (Cohen 1997); 2) delight as an organizational goal (Jackson 1997); 3) delight as a part of customer service (Raphel 1997); 4) the role of delight in credit management (Allen 1997); 5) delight as a tool to retain insurance clients (Paterson 1997); and 6) delight within distribution channels (Anderson 1997). The trade publications provide little insight on the basic process of delight. Those sources view delight as a very high level of satisfaction.

The Oliver, Rust and Varki Model

The only academic article found on delight is the seminal piece mentioned earlier by Oliver, Rust and Varki (1997). The authors give delight both a theoretical and an applied perspective, stating that "delight appears as resulting from a

'blend' of pleasure and arousal (p. 318)." Based on their review, they present and test a model which has both a "delight sequence" and a "satisfaction sequence" leading to intentions.

The model was tested using two consumption experiences - a recreational wildlife theme park and a symphony concert. The direct and indirect effects on both delight and intentions were not consistent for the two studies, leading the authors to state that "this indicates the probable effect of moderating variables on the impact of delight on behavioral intention (p. 329)." They conjecture that the effect of delight may differ in different settings.

The model proposed in Oliver, Rust and Varki is essentially an abstract psychological model of the process of delight that can occur within consumption experiences. Our observations suggest that consumer characteristics and some general types of consumption experiences can trigger the antecedents of delight (positive affect, arousal, and surprise), which, in turn, lead to delight.

METHODS

Ethnography

In October of 1997 one author had plans for a trip to Egypt with his wife. Given an interest in learning about how consumption experiences contribute to satisfaction and dissatisfaction, this author (hereafter I) planned and took notes over the duration of the trip. After returning from the trip, both the field notes and recall of the trip experience pointed to a number of instances in which the participants experienced delight, the focus of this report.

Our primary method was participant observation (Hudson and Ozanne 1988; Hunt 1991), an inductive, ethnographic approach. Similar methods have been employed in recent studies of consumption experiences (Arnold and Price 1993; Price, Arnold and Tierney 1995; Sherry 1990; Celsi, Rose and Leigh 1993; Swan and Trawick 1997) . The method was appropriate as very little is known about the production of delight. Inductive methods are often effective when the research objective is to discover how basic social processes occur.

Research Setting

The Metropolitan Museum of Natural History sponsors the two week trip that includes a seven day boat cruise on the Nile River. The main focus of the trip is on the pharaonic Egypt of pyramids and temples. A second theme of the trip is the surprising continuities between elements of past and contemporary Egypt. Some 52 people were on the trip. The trip leaders, all PhD holders, included two Egyptologists, Hisham Mahfouz and Baset Youssef, and a research scientist from the Museum. A travel director, Alice Neal, handled arrangements. Most of the guests were couples from about age 50 and up.

Data Recording

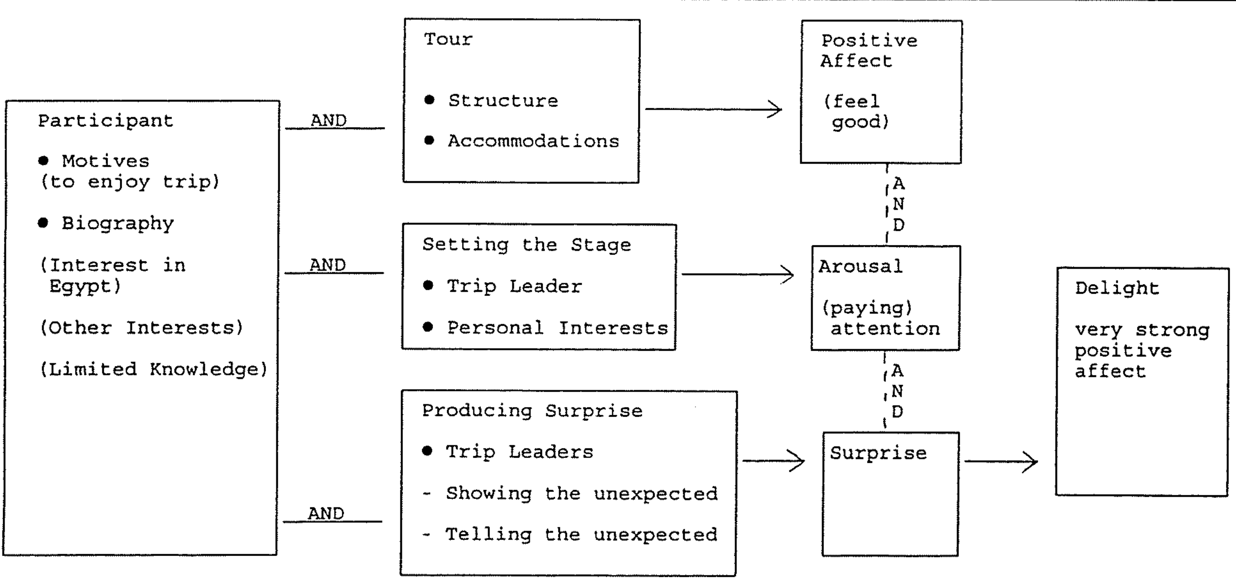
During the trip some other participants also wrote notes; however, my note taking was more extensive than the others. On some occasions when someone noticed or asked about my note taking, I explained that I am a college professor, that people in my field study recreational activities, and that I hoped to write articles using the notes. No one objected or seemed uncomfortable. I did not observe differences in the other participants' behavior between occasions when I did or did not take notes.

Some expressed an interest in my notes and I promised to write an account of the trip and share it. I did write and send a story of our trip to all participants. Data for our analysis employed the field notes, story of the trip, written material provided to participants by the Museum, and post-trip notes some participants sent after receiving my story of the trip. The story and field notes were transcribed and entered in a word processing system. Most names of individuals in this report are pseudonyms.

Analysis And Measurement

The concept of delight has only very recently been the topic of systematic inquiry (Oliver, Rust and Varki 1997), so it is not surprising that a widely accepted definition does not exist. Oliver et. al. drew from the psychology literature and discussed delight as an emotion with a combination of high pleasure (joy, elation), and high activation,

Figure 1
Production of Delight



or surprise. They conceptually define delight as an emotion combining high arousal or activation and high positive affect. Their operational measure of delight used a set of "How frequently did you feel:" affective items (contented, happy, cheerful, pleased, excited, enthused, stimulated, elated) and arousal (astonished, surprised) items. A problem with that approach is the same measures included both delight and its components. They also employed a single item direct measure of delight (how frequently did you feel delighted).

In our report, delight was inferred from the behavior of the other participants. Specifically, we identified delightful experiences as those where some of the participants expressed surprise, astonishment, interest, pleasure, excitedly called others attention to something, smiled, or focused their attention on what a trip leader was saying. Another indicator of delight was what people said that was positive about an experience after it was over such as "wasn't that great!" While we do not claim to be able to measure degrees of delight, we believe that delight is often a quite visible emotion and that the events we identified were delightful to at least some of the participants.

In summary, we define delight as strong, very positive affect in response to an ongoing experience.

MODELING DELIGHT

The Oliver, Rust and Varki (1997) study found evidence that delight has three direct antecedents:

1. Surprising consumption ----- > Delight

2. Arousal or heightened activation ----- > Delight

3. Positive affect ----- > Delight

They also discuss some other variables and linkages that we will not cover. Our analysis will both confirm the portion of the Oliver, Rust and Varki (1997) model given above and develop new insights concerning some specific situational elements that produce delight when the situation triggers surprise in a content of positive affect and arousal. In addition, we will note that some background experiences of the participants were also important. Our model is shown in Figure 1. It is important to note that Figure 1 is not a "causal model." We will present an account of how the variables and processes shown in Figure 1 combine to produce delight; however we are not claiming that Figure 1 represents a causal structure.

We will present experiences during the trip that highlight each of the elements. In order to present a clear report, we will include a separate section on each of the elements. It is important to note that each of the delight instances we present probably contained all of the elements. In particular, our separation of arousal, positive affect and surprise is an analytical and reporting necessity. Next, we turn to the results of our study.

PARTICIPANT CHARACTERISTICS

We found that delight is related to participant characteristics including *motivations to enjoy the trip* and *biography*, that is one's personal history of experiences (Berger 1963). Biography included an interest in Egypt, but limited knowledge of it. Motives and biography combine with other factors to produce delight.

Motives

The trip was selected by the participants in anticipation of an enjoyable experience. One of our travelers wore a t-shirt that summarized his motives: "I Am Retired, My Job Is Having A Good Time." The motivation of enjoyment when combined with pleasant occurrences during the trip helped to produce positive affect, a point we develop more completely in the next section.

Biography

Participants' personal history or biography also helped set the stage for delight. At lunch Paul tells of his interests in Egypt: "I wanted to cruise the Nile." I asked: "What do you like so far?" At first Paul didn't answer, then he says: "Pyramids blew my mind - it was the first one (pyramid) - A major dream for me. We do (he and his family) Disney World, family reunions..." Paul's friend adds: "I read books on Egypt before coming." The strong interest in Egypt results in most participants giving full attention to the trip leaders as they "show and tell."

A second important element of biography is that while participants are interested in Egypt, their knowledge is limited. Evidently, only a few participants had visited Egypt prior to our trip. Limited knowledge provides many opportunities for surprise. As a boy, I rowed a skiff up and down Bay St. Louis using the common oar of our culture. I see an Egyptian who rows with what to my eyes are strange oars: instead of a handgrip, shaft and blade, what corresponds to the shaft and blade part is a straight plank, like a 1x4 inch plank you will find at **HomeQuarters Warehouse** store, set between two wooden pins. The end of the plank serves as the blade; I see it placed in and out of the water in a rowing motion. Even more exotic, between the pin and the oarsman's hand is a bulbous, mandolin shaped wooden piece about 20 inches long. I guess that it may be solid wood and serve as a counter balance to the long "straight plank" part, and the mandolin shape keeps the oar from sliding out of the pin.

THE TOUR AND POSITIVE AFFECT

The tour was structured and conducted to produce happy travelers. The tour director and trip leaders worked diligently to please the participants. The accommodations, food and service probably reflect some of the best that the hospitality industry offers. Our main observation is that much of the trip was quite enjoyable and positive affect occurred so often, that it is a background contingency.

Accommodations: A Source of Positive Affect

An example of accommodations providing a pleasant background experience is the buildings and gardens of the Mena House, located at the foot of the great Pyramid of Cheops. The Mena House is "a paradise of flowers, shrubs and trees on it's grounds, with the great Pyramid of Cheops thrust above its buildings and gardens reminding me of peaks of the Tetons in the American west." On the Nile Queen, my notes on the food and service include: "The service staff accords us deference and a quality of service that is far beyond my usual station in life. Our cruise boat dining room has the appointments - china, silver, crystal, folded white cloth napkins - that I imagine is only exceeded by state dinners at the White House."

Structure of The Tour: Positive Affect

Obviously the places visited and the means of transportation provided addition background for delight. The group saw a wide variety of pyramids, tombs, and temples, including the very famous. The cruise down the Nile provided the opportunity for many experiences, from viewing the daily lives of Egyptians to a comment by one traveler: "The most lovely, significant sunsets of my life."

In summary, positive affect frequently occurred on the tour and it is a background contingency that, combined with arousal and surprise, produce delight. We suggest that positive affect followed from the participants' motives and the elements of the trip: leaders, places visited, and accommodations and service which often met or exceeded participants, expectations.

TRIP LEADER AND PERSONAL INTERESTS PRODUCING AROUSAL

As participants, many of us have a long term interest in the sights and history of Egypt and our attention was frequently focused on what a trip leader was showing and telling. Clearly, participant interests and a trip leader taking center stage produced arousal. Personal interests of the participants are a second source of arousal. Viewing one of the temple walls, a traveler who is a physician showed how the tools depicted in a panel are surgical tools that he recognized as ancestors of contemporary instruments.

Trip Leader Performances Produce Arousal

Performances by trip leaders are a common source of arousal. Often we departed the hotel or ship and boarded a couple of buses to see a temple, pyramid or other attraction. Hisham or Baset was at the front of the bus and he or she told what the 20 of us would soon see. On arriving at the site, our tour leader motioned us to follow and we walked over to an area. Baset gathered us around her, took the stage, and told about what we were viewing, often pointing to a scene on a temple or tomb wall. Hisham did the same with his group. Our attention was aroused as we focused on her narrative.

An example of the tour guides setting the stage is the comment by Baset as the bus pulls away from the Mena House: "We will cross the whole city (Cairo). It will be very rich and.....colorful." At the entrance to the Tomb of Sapth, Baset talked to the leader of a just arrived group to ensure that they held back until my group entered the tomb. Hisham, at the Great Temple of Abu Simbel, primes the group with statements such as: "Isn't this great!" "What a Megalomaniac (describing Ramesses II)" and "You will see Ramesses smiting his enemies."

Participant Interests Produce Arousal

Interests that participants have beyond an interest in Egypt and occurrences that are relevant to their interests result in arousal. Individual interests are also important in determining arousal in response to tour leader performances. To clarify the main point of this section, individual interests can result in arousal in conjunction with or apart from leader performances.

About a half dozen of us, including myself, are birders, people who have an interest in observing and identifying species of birds. None of the trip leaders participate in birding.

On some occasions while the Nile Queen was cruising the river, the birders could be found up on deck, in a little group, looking for birds with binoculars and trying to identify new birds, birds not seen previously on the trip. Identification involves using a field guide of birds of Egypt. Since many of the birds of Egypt do not occur in the United States, identification of new birds is a common activity. Arousal, heightened attention, occurs whenever a bird is seen that could be a new bird.

Aboard the Nile Queen I see "snow white little egrets and larger blue herons against the green rushes." Companions respond "Birds in this light (so nice to see)." I also comment: "Nature, in the form of birds, is delightfully present at the river's edge where water and earth meet." I go on to describe "large Gray Herons, blue-gray in color; hunched down Squacco Herons, white with a bit of rust color; Moorhens small cock birds; ducks; colorful black and white Pied Kingfishers; and Black Kiks, large dark, hawklike birds that soon soar over the river on long narrow wings."

TRIP LEADERS PRODUCING SURPRISE

In the context of surprising consumption, surprise was created by the guides in two ways - *showing* the unexpected and *telling* the unexpected. Limited knowledge of Egypt also contributes to rendering events as unexpected.

Showing The Unexpected

Two experiences illustrate the guides showing the unexpected. At Djoser's Pyramid Hisham instructs us to look in the small opening of a small rectangular stone building: "Look, but don't say anything." I am first. I look in, and to my surprise, staring intensely back at me is a black stone man with white eyes and black irises. I chuckle, "Oh wow!" Someone asks: "What is it?" I reply: "Can't say, it's worth looking!" People step up, look, and voice surprise and enjoyment. Hisham: "What you see there is King Djoser keeping an eye on what's going on in the outside world." At the Egyptian Museum of Antiquities Hisham takes the group to a case containing a very lifelike seated statue of a scribe, with papyrus writing paper on his lap. With a flashlight he shines a beam of light on the scribe's eyes. I report: "The eyes come alive! The Scribe is looking at us!" Hisham says: "The eyes are of quartz-look how fine-quality work. (There is) nothing else like it in ancient Egypt." Replies a group member: "Like real eyes!"

Telling The Unexpected

During the trip, our guides telling the unexpected to create surprise are numerous. At Djoser's Step Pyramid Hisham states "(it is) the oldest stone building in the world." At the Great Temple of Abu Simbel, Hisham, in telling the group where to go in the temple, exclaims, "You will see Ramesses smiting his enemies!" In her narrative at the Temple of Hathor at Dendera, Baset states "Still today women who can't get pregnant, come here, touch the stones. In Roman times women would come, spend the night, get pregnant, and pay the priest." She hints that the priestly role was more than spiritual in terms of enhancing fertility. At the back wall of a Temple dedicated to Cleopatra and her son Caeserion fathered by Julius Caesar, Baset says, "Cleopatra brought Mark Antony here during their cruise on the Nile. Caeserion was sent by Cleopatra to the Red Sea, but the Romans caught him and killed him to eliminate an heir of Caesar. "At the Egyptian Museum of Antiquities Hisham takes the group to a flat rectangular gray stone object about a foot high. It is a cosmetic palette of the first King of Dynastic Egypt, Narmer. Hisham states, "This is your newspaper. The first political statement in history."

DISCUSSION

Producing Delight

It is clear from the Egyptian trip that both psychological and situational factors affected the production of delight. Characteristics of the participants of the tour (motives and biography) influenced positive affect, arousal, and surprise. Accommodations and the structure of the tour (including transportation) created positive affect for the tour members. The trip leaders and individual personal interests set the stage for the person to be aroused by many of the experiences that occurred. The trip leaders, through showing and telling the unexpected, created surprise. Together, the interaction of these variables resulted in delight.

What implication does our analysis have for theory development about delight? We have shown that in addition to psychological variables, there are also situational variables which could affect the antecedents of delight. This may explain why results were not consistent in the two consumption experiences in the Oliver, Rust and Varki (1977) article. Thus their model should be expanded to incorporate personal and situational factors. In addition, this study suggests that delight is a social process. Sociological theory and methods may be fruitful approaches for basic research on delight (Holt 1995). Specifically, insights from the theory of symbolic interaction (Blumer 1969; Mead 1934) and ethnographic methods (Prus 1996) informed our effort.

Managerial Implications

For managers the implications are clear. To

create delight managers must manipulate and/or take advantages of situational variables to cause positive affect, arousal, and surprise leading up to the purchase decision. While this article dealt with the tourism industry, the principles could possibly apply to many purchase settings. Such things as unexpected "free" items (not necessarily expensive), unusual decor, novel presentations, and things that heighten the senses are examples.

SUMMARY

Using an ethnographic approach we have discovered that participant characteristics and situational variables impact on the antecedents of and result in delight. Future research in this evolving area should incorporate these variables into the Oliver, Rust and Varki model to gain a fuller understanding of delight and the role it plays in intentions to purchase or repurchase.

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DELIGHTING THE SENIOR TOURIST

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ABSTRACT

Because the number of seniors (aged 60-plus) in Australia, Canada, New Zealand and the United States forms roughly a third of the adult population in each of these countries, and this proportion is growing, there is considerable economic incentive for tourism marketers to sharpen their focus on older people. Because many of these seniors have the desire and means to travel for pleasure, discovery and learning, the ultimate goal for marketers could well be to delight them into becoming repeat customers. The concept of consumer delight, as distinct from mere satisfaction, is explored in this paper. However, marketing strategies aimed at delighting senior tourists need to recognize that this group is far from homogeneous. In this study, interviews of 356 retirees yielded data on their motives for vacation travel, preferences for vacation destination types, favorite mode of travel, and personal values. The results of factor analyses led to the identification of seven travel-motive segments labeled Nostalgics, Friendlies, Learners, Escapists, Thinkers, Status-Seekers, and Physicals. Strategies for delighting senior tourists will vary according to segment, thus the proposed consumer-delight strategies are discussed for each of the segments.

INTRODUCTION

There is every good reason for tourism marketers to think of consumer delight, as they sharpen their focus on older people. Consumer delight is supposed to lead to company loyalty and customer retention. Currently, in the United States, the population of seniors (defined in this paper as those aged 60 plus) is 63 million. In Canada, seniors number 7 million. In Australia, there are 2.9 million seniors and another half-million of them in New Zealand. In all four of these countries, their numbers will grow to even larger proportions of their respective populations, primarily because all four nations experienced a post-war baby boom and the oldest Baby Boomers are currently 53 years old. Thus, the present and future potential of older markets is not small by any measure. Many of these seniors will be capable, both financially and physically, of taking vacation trips and, as this study and others have revealed, even more of them have strong motives for wanting to travel for pleasure.

Yet, surprisingly little product development of pleasure travel options for seniors is based on seniors' underlying psychological and motivational reasons for wanting to travel on vacation (cf. Presland and Matthews, 1998; Wolfe, 1990; 1997). Without such knowledge, it would be difficult to design and develop extended service encounters (Dubé and Morgan, 1996) that generated consumption emotions leading to consumer delight. To date, the tendency of tourism marketers and tourism product developers has been to treat the seniors market as one, more or less homogeneous, segment of the vacation-travel population. This attitude among practitioners contrasts sharply with findings from empirical studies in various countries, where research on older-adult travelers in Germany (Romsa and Blenman, 1989), Canada (Duncombe, 1994; Zimmer et al., 1995), and the United States (Javalgi et al., 1992; Vincent and de los Santos, 1990) has established that the seniors market can be fruitfully segmented in various ways.

Part of the problem stems from the fact that seniors as a potential market are often misunderstood (Moschis, 1992). Stereotypes abound about the nature of the typical older adult consumer and these are reflected in tourism industry perceptions that this segment consists of people who, by and large, are "over the hill," "on the way down," generally uninterested in new things and experiences, somewhat frail or ailing, and therefore incapable of handling the strenuous aspects of travel, and in need of special care during the touristic encounter. Tourism marketers have yet to fully appreciate that seniors, as a group, possess a lot of vitality and desire to travel (Tourism Canada, 1994). As a case in point, 49 per cent of Australians aged 60 or more have no disability or physical impediment to mobility (Australian Bureau of Statistics, 1993).

Thus, with such a large potential market of

senior tourists to draw from, the tourism industry has good reason to better understanding why seniors want to travel. And since this market is projected to grow steadily over the next twenty years, it would seem that new products and marketing strategies to delight the senior traveler ought to become part of the strategic planning process in this industry.

Another important factor which drives human behavior and, specifically, consumption patterns and desired lifestyle, is a person's system of value priorities (Feather, 1996; Kahle, 1996; Rokeach, 1973; Schwartz, 1996). While the influence on travel behavior of both personal values (Muller, 1991; Pitts and Woodside, 1986) and lifestyles (Shih, 1986) have been studied, the association between personal values and travel motives among seniors has not been properly explored.

Neugarten's landmark studies in gerontology (1968; Neugarten and Neugarten, 1986) have established that, as people approach the latter part of their lifetimes, they reveal a sense of competence and mastery and a preoccupation with self-utilization. There is a tendency to search for self-fulfilling activities and experiences. As older people contemplate the reality that there is "only so much time left to live," the recurrent theme in their minds is expressed well by one such person: "It adds a certain anxiety, but I must also say it adds a certain zest in seeing how much pleasure can still be obtained, how many good years one can still arrange, how many new activities can be undertaken . . ." (Neugarten, 1968: 97). One would therefore expect not only a shift in value orientation as people reached retirement age, but also a reaffirmation of the personal decision to travel and to explore the "world" as a tourist. This predicted shift in values and behavior has been modeled and presented by Muller (1996; 1997).

EXPLICATING DELIGHT

The notion that surprisingly positive disconfirmation can result in delight (Oliver, 1998) is not an entirely new one in the literature on the modeling of consumer satisfaction and dissatisfaction (Cadotte, Woodruff and Jenkins, 1987; Mano and Oliver, 1993; Oliver, 1980; Woodruff, Cadotte and Jenkins, 1983). However, the actual term *delight* and the exploration of its occurrence during the consumption stage of consumer decision making (Kindra, Laroche and Muller, 1994: 54) is quite new. Hunt (1998) notes that this research stream has paid lots of attention to what happens when customers get less than they expected or exactly what they expected, but has done much less to understand what emotions are associated with getting more than expected. The term "delight" begins to appear in the consumer research literature around the early-1990s, as a label for the construct, or emotion outcome, *pleasant surprise* (Westbrook and Oliver, 1991), or *high arousal positive affect* (Spreng, 1995).

To distinguish between satisfaction and delight, Kumar and Olshavsky asked consumers to describe recent personal experiences where they had felt either satisfied or delighted (Kumar and Oliver, 1997). Satisfaction is associated with consumers' expectations being met, feelings that they received "fair" value, and feeling contented. Delight, on the other hand, produces feelings of surprise, of expectations having been exceeded, and feelings of elation. All in all, their research showed that the two emotions are quite distinct and separate.

The trick, it seems, in terms of the classic consumer satisfaction model, is to provide service that is above the zone of indifference (Dabholkar, 1995), so that not just positive disconfirmation, but *surprisingly positive* disconfirmation, has a greater chance of occurring in the consumer. And how does one do this with tourism products designed and developed specifically for the senior vacationer or traveler? That very much depends on what motives are driving the senior tourist. One large-scale study of senior tourists (Duncombe, 1994) concluded that a good strategy would be to "Surprise them with the exotic." But, in the absence of a motives-based segmentation strategy, it is difficult to decide what will be perceived as exotic and what will provide pleasant surprises. If one could know the varied motives that make a senior want to travel and become a tourist, it would be possible to design travel experiences that were likely to produce pleasant surprises and delightful experiences.

AIM OF THIS STUDY

The purpose of this empirical study was to discover underlying travel motives among seniors and to find groups of senior tourists with common motives. The aim in this paper is to show that travel-motive segments could become the basis for the development of themes that might result in consumer delight, and thereby create repeat customers and generate favorable word-of-mouth communications in the 60-plus market. It was reasoned that an understanding of travel motivations is essential to the design of tourism products that generate delight because such products recognize the senior's personal values and are central to the older traveler's lifestyle and psychological needs.

Travel motivations have been proposed by tourism researchers as a general tourism market segmentation tool (Ryan and Glendon, 1998). A thorough understanding of travel motives makes it possible to develop and promote concepts (tourism activities, destinations, travel services) that are perceived by seniors as attractive, congruent with their self-image, and in tune with their values and demographic circumstances, as well as their health and physical capabilities. Armed with this knowledge, the creative marketer can begin to assemble the components of a delightful experience. Fostering the occurrence of consumer delight is the strategic goal here.

RESEARCH METHOD

A convenience sample of 356 senior citizens, aged between 56 and 93, was interviewed during June, 1998. The sample was identified with the help of the Office of Aging, in the Queensland Department of Families, Youth and Community Care. Interviews were conducted in group settings that varied between 10 and 30 persons inside community halls and senior citizens' clubs around Southeast Queensland. Respondents (95.3% fully retired and 73.5% born in Australia) filled out a self-completion questionnaire designed specifically for this study, after listening to verbal instructions from the researchers.

Vacation travel motives were measured with 48 items after carefully reviewing the literature on leisure and recreational motives, the tourism literature and research conducted on the aging post-WWII baby-boom generations of the United States, Canada and Australia. The final pool of items was chosen to represent

1. The four-factor components of leisure motives: intellectual, social, competency/mastery, and stimulus avoidance (Beard and Ragheb, 1983);

2. Eight travel benefit factors: excitement, self-development, family relations, physical activity, safety/security, social status, escape, and relaxation (Moscardo et al., 1996);

3. Several aspects of the eight predicted value and lifestyle trends among Baby Boomers approaching their retirement years: voluntarism, commitment to grandchildren, spirituality, nostalgia, entrepreneurship, political activism, learning for self-fulfillment, and discovery tourism (Muller, 1996; 1997).

The travel motivation items were presented as "My own reasons for vacation travel are..." and respondents indicated on a 10-point rating scale whether they agreed or disagreed with each. The List of Values, developed at the University of Michigan (Kahle, 1996), was used for the personal values measures. The List of Values was chosen because it is short, as well as being adequate for the scope of this study. Respondents indicated which one of the nine terminal values was most important to them in their lives.

Given that a senior's health might be a strong factor in touristic experience decisions and motivations, a senior's perception of his or her overall health was also assessed, using a 10-point rating scale anchored at "poor" and "excellent." Also obtained were year of birth, gender, marital status, number of grandchildren, educational attainment category, and household income. Behavioral patterns were assessed for favorite way of travelling on vacation (by myself, with one other person, with a group of friends, or with family members) and a complete ranking, by preference, of eight major vacation destination types within Australia (heritage town, forest, beach, city, outback, reef, island, and mountains).

FINDINGS

Factor Analysis of the Motives

Principal components factor analyses were performed to identify groups of travel motives where the individual items were highly intercorrelated, but distinct from other groups of motives. The overriding objective was interpretability of the resulting varimax-rotated factor matrix, not maximum explained variance or the inclusion of all factors with eigenvalues of 1.0 or higher. On the basis of our theoretical expectations and the interpretability of the factor-item loadings, seven factors were identified (explaining 60 percent of the variance in the 48 items). They clearly reflected most of the underlying dimensions of travel motives that were expected and the factors were labeled accordingly.

The next step was to create travel-motive segments, using respondents' scores on the items within each of the seven factors. First, however, seven of the items were removed because they loaded similarly on more than one factor (factor-item correlations within 0.05 of one another). Next, "segments" were created by averaging respondent *r*'s item scores (X_{ijr}) across all *k* items (*i*), within factor *j*, and assigning the respondent to the travel-motive factor on which that person had the highest mean. Thus, respondent *r*'s segment membership (S_r) was determined as follows:

$$F_{jr}=(1/k\sum_{i=1}^{k} X_{ijr} \qquad (1)$$

$$S_r=\max(F_{jr}) \qquad (2)$$

Identification and Profiling of the Seven Travel-Motive Segments

Once each respondent's segment membership was determined, the relative size of each segment among senior travelers could be estimated. The seven travel-motive segments are presented in Table 1. They have been labeled and profiled according to the travel motive items included in each of the factors derived earlier. *Nostalgics* are the largest segment and represent 32 per cent of our sample. The smallest segment is the *Physicals* (3.4% of tourists), seniors who travel so they can participate in a sport, get physically invigorated, or find thrills.

Table 1
Descriptors of the Seven Travel-Motive Segments

Nostalgics (32.0%)
To visit a friend or relative
To make pilgrimages to places which have memories for me
To visit a place where my family's roots are
To try to achieve family togetherness on a vacation
To be able to relive some of the good memories and good times from my past
To enjoy surroundings that are comforting and reassuring

Friendlies (22.7%)
To meet new people and make new friends
To become better friends with someone, by vacationing together
To travel together with a group of people who share my interests and values

Learners (18.9%)
To collect new and different experiences
To satisfy my curiosity or increase my general knowledge
To keep me well informed and on top of what's going on
To learn new things and enrich my life
To become a more cultured person
To feel connected with other people and experience a sense of community
To experience the fun of discovery
To feel I am actively involved in the world around me
To be a little adventurous
To improve or renew my skills as a traveler

Escapists (9.3%)
To get away from the demands at home and in daily life
To relax and do nothing at all
To indulge in a bit of luxury
To get away from doing too much thinking
To avoid boredom
To be entertained and looked after by others
To change my surroundings for the sake of change

Thinkers (7.1%)
To help me think about who I am and what life means
To raise my self-esteem
To challenge my mental abilities
To share my thoughts and feelings with my travelling companion
To go to a place where I can feel safe again
To find simplicity, certainty, or peace of mind and soul
Because I sometimes like to be alone

Status-Seekers (6.5%)
To enable me to go to places where my friends or rivals have not been

Table 1 (cont.)

To gain the respect of others
To keep up with all the vacation travelling that I see others doing
To be able to tell stories of my vacation adventures and mishaps to my grandchildren
To be able to tell others about where I have been and what I have seen

Physicals (3.4%)
To give me a chance to participate in a sport I am fond of
To find thrills or excitement
To obtain some form of physical invigoration

Table 2 offers a value-based profile of the four largest segments. It gives the percentage distribution of the single most important value chosen by respondents from among the nine-item List of Values (Kahle, 1996). Frequencies for the value *fun & enjoyment* were combined with those of *an exciting life* (both are hedonistic values) because so few people had chosen the latter as their most important one. Two other values (*being highly regarded by others* and *a sense of belonging*) have been suppressed because 5%, or fewer, seniors had picked either of these as most important and their inclusion in the analysis would have inflated the proportion of cells with an expected frequency of less than 5. The frequency distributions within this crosstabulation were sufficiently different to give a significant chi-square result. A perusal of the percentage distributions reveals some major differences in the importance of these six personal values within a segment. The implications of these differences are presented in the discussion section.

Table 3 gives the distribution of travel modes for the six largest segments. *Physicals* are excluded in order to reduce the proportion of sparse cells. A chi-square analysis reveals significant differences in the preference to travel by oneself, with one other person, or with either a group of friends or family members.

Many additional analyses were performed to derive a demographic profile of the seven segments and to test whether preferences for vacation destination types differed by segment. None of the analyses yielded a demographic or destination-preference picture of the various segments. Thus, it was concluded that, because the target market is already narrowly defined as Australian seniors, variations in the demographic and destination preference data are too narrow to be useful as segment profiling variables. In any case, Table 4 profiles the overall sample.

DISCUSSION AND IMPLICATIONS

It is instructive to learn from this study that standard demographics and vacation destination-type preferences-two of the most commonly employed research variables among tourism marketers-were unable to distinguish among senior segments uncovered by their travel motivations. Clearly, the method of creating distinctive groups of senior travelers by tapping their underlying motives and values is revealing something which demographics or destination preference could not identify. The guiding purpose of this study was to discover whether the vacation travel motives of retirees could be used as a means of identifying groups of seniors with common motivations for experiencing various forms of touristic recreation. Our findings suggest that such a segmentation scheme defies the standard demographic and destination preference boundaries often used in tourism marketing research.

Because each segment cannot be identified or defined in the standard demographic manner, such travel motive-based vacation travel packages need to be carefully positioned so that their *content and orientation* become amply clear to the targeted senior traveler, who then becomes a potential customer-an interesting twist to segmentation-based marketing strategy for a demographically homogeneous senior market. The four largest senior travel-motive segments-in decreasing order by size-are the *Nostalgics*, the *Friendlies*, the *Learners*, and the *Escapists*, and these represent roughly 83% of the seniors travel market. Each of the four is discussed briefly and strategies for creating consumer delight in each segment are suggested.

Nostalgics

Nostalgics have a tendency to travel for the sake of renewing memories and gaining satisfaction from the opportunity to relive fond memories, achieve family togetherness, and make "pilgrimages" to places that are imbued with pleasant aspects of their past. Just under 40% of

Table 2
Percentage Distribution of Single Most Important Personal Values Within the Four Largest Segments

			Segment				
			Learners	Escapists	Nostalgics	Friendlies	Total
Most Important Value	A sense of accomplishment	Count	9	1	3	4	17
		% of Segment	18.4%	3.8%	4.2%	7.4%	8.5%
	Self-fulfilment	Count	4	2	9	4	19
		% of Segment	8.2%	7.7%	12.7%	7.4%	9.5%
	Security	Count	4	4	13	13	34
		% of Segment	8.2%	15.4%	18.3%	24.1%	17.0%
	Warm relationships with others	Count	8	4	28	10	50
		% of Segment	16.3%	15.4%	39.4%	18.5%	25.0%
	Self-respect	Count	11	6	13	9	39
		% of Segment	22.4%	23.1%	18.3%	16.7%	19.5%
	Fun and enjoyment & Excitement	Count	13	9	5	14	41
		% of Segment	26.5%	34.6%	7.0%	25.9%	20.5%
Total		Count	49	26	71	54	200
		% of Segment	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-square = 33.38; df = 15; $p < .005$

Nostalgics choose *warm relationships with others* as a primary value and they fulfil this by visiting friends and relatives. *Fun and enjoyment* and *a sense of accomplishment* are not common value priorities within this segment. They also have a tendency to prefer travelling with family members. Thus, it would seem that tailoring tourism products for this segment would present quite a challenge, largely because the places where their family roots are and where they can relive memories necessarily will be idiosyncratic. However, delighting these seniors could be achieved by creating specific events that recreate the past for many *Nostalgics,* at the same time and place, by choosing a unique destination. Examples would be a jazz festival or rock concert at a site that had the qualities of a Woodstock, but with amenities for comfort and accommodation that would cater to families or groups of friends. Other possibilities are classical or popular music performances in wide-open, outdoor spaces (the desert, the edge of the Grand Canyon, the Australian outback), or mystical (magico-religious) experiences by arranging an event or gathering at sites imbued with the past (Stonehenge, Neolithic worship sites, Mayan temples).

Friendlies

Friendlies like to travel in order to meet new people and make new friends, and to be together with people who share their interests and values. They tend to be security conscious, and members of this segment are least likely to want to travel by themselves. They are definitely social travelers. Tourism concepts and ready-made vacation packages that offer them a chance to meet and to experience fun and enjoyment with others who have a similar socio-economic and interest background stand a good chance of delighting this

Table 3
Travel Mode Preferences for the Six Largest Segments

			Segment						
			Learners	Thinkers	Escapists	Status	Nostalgics	Friendlies	Total
Travel mode	by myself	Count	11	3	2		9	5	30
		% of Segment	19.0%	13.6%	7.4%		8.9%	7.1%	10.1%
	one other	Count	28	10	18	8	38	31	133
		% of Segment	48.3%	45.5%	66.7%	42.1%	37.6%	44.3%	44.8%
	friends only	Count	5	5	5	6	15	19	55
		% of Segment	8.6%	22.7%	18.5%	31.6%	14.9%	27.1%	18.5%
	family	Count	14	4	2	5	39	15	79
		% of Segment	24.1%	18.2%	7.4%	26.3%	38.6%	21.4%	26.6%
Total		Count	58	22	27	19	101	70	297
		% of Segment	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-square = 31.1; df = 15; $p < .01$

segment. While safety should be emphasized to ensure consumer satisfaction, the common-interest theme can be exploited in attempting to delight this segment. Cruises to brand-name destinations (Acapulco, Alaska, Rio de Janeiro, Honolulu) that have recognition familiarity are one example. Themed trips (eco-tours for wildlife lovers, winery tours for wine buffs, cruises designed for association members) would also present the opportunity to generate consumer delight.

Learners

Learners are possibly an easier segment to delight when developing tourism products. They represent almost 20% of the seniors market and their overriding aim is to collect new experiences, discover the world around them, learn new things and satisfy their thirst for knowledge and adventure. The two most popular values among *Learners* are *fun and enjoyment in life* and *self-respect*. But the proportion of *Learners* who espouse the value *a sense of accomplishment* is far greater than in any other segment. This knowledge-driven tourism segment is not security minded and has the highest proportion of seniors who do not mind travelling by themselves, and the lowest proportion whose favorite way of travelling on vacation is with a group of friends. Travel concepts to delight *Learners* need to emphasize new experiences, discovery and learning, culture, and active involvement with their touristic surroundings-things like trying the local food, mixing with the locals, and savoring the local lifestyle.

Escapists

Escapists have as their primary travel motive the need to get away from the demands of daily life and responsibilities. Travel products aimed at delighting this group need to underscore that the vacation will offer a carefree period of rest and relaxation, and the luxury of being looked after, in a non-intrusive manner, during their stay, usually at a single destination on a given trip. *Fun and enjoyment in life* and *self-respect* are the most commonly espoused values among *Escapists*. They do not like travelling with family members and two thirds of them most prefer travelling with just one other person (the highest proportion among all segments). Products designed for *Escapists* should not be packed with activities and, indeed, generating consumer delight among this group requires that staff at the vacation destination minimize their visibility while still providing a relaxing, pleasurable level of service.

On a concluding note, it is worthwhile mentioning that the typical vacation experience is one where many service transactions extend over time. Dubé and Morgan (Dubé, 1994) found that consumption emotions during the consumption

Table 4
Demographic and Destination-Preference Profile of the Entire Sample

Variable	Proportion (%)	Median Rank	Proportion Giving It Highest Rank (%)
Females	80.3		
Aged between 56 and 74	49.4		
Self-rated health 8 or better (on a 1 - 10 scale)	55.3		
Widowed, divorced or single	53.3		
Married	46.7		
Number of grandchildren			
Four or fewer	52.9		
Five to 32	47.1		
How highly educated?			
Less than secondary completed	48.2		
Completed secondary school	29.5		
Skilled trade certificate, or higher	22.2		
Household income			
$0 - $299, per week	49.4		
$300 and up, per week	50.6		
Preference for destination type			
Island		3.0	22.6
Mountains		3.0	17.6
Outback		4.0	12.8
Reef		4.0	8.3
Forest		5.0	8.0
City		5.0	11.3
Heritage town		5.0	8.3
Beach		6.0	11.0

episode are not simple averages of successive momentary states. In fact, first and last consumption emotions are more determinant in retrospective judgments of the overall consumption emotion, which would include delight. The touristic experience of the senior is therefore likely to be evaluated heavily by first and last (or early and late) impressions (either cognitions or affect) and the resulting feelings of delight or dismay. Strategically, this suggests that the tourism product developer needs to incorporate elements during the very early part of the touristic experience that have a good chance of resulting in surprisingly positive disconfirmation. Then, at the end of this extended service encounter, elements need to be introduced that could again lead to positive surprises. This strategy suggests that it may be necessary to withhold some information about the product-service package from prospective customers-in order to make surprises possible. The divemaster who tells his recreational scuba divers that there will be a "surprise" at the end of the dive trip, but

does not divulge to the group what it is until they experience it (it turned out to be the chance to surface inside an undersea cave with an air trap in it) is practicing that sort of strategy.

Such a strategy indicates that a disproportionate amount of attention and resources need to be diverted to two key points in the extended service encounter of the tourism experience-the beginning (where first impressions count heavily) and the end (where last impressions will also be more determinant in consumption emotions). Thus, early activities need to be thought out carefully and service providers need to be sensitized to their actions and reactions in the beginning of the tourism episode. Similarly, a "good-bye, see you again" attitude needs to pervade the final few activities and service interactions, with perhaps a pleasant surprise thrown in at the end.

Complicating the emotional response scenario, however, is the research finding that, throughout an extended service encounter (such as a multi-day, white water river rafting trip; Arnould and Price, 1993), there is a rhythm to the emotional experience as many different emotions unfold, ranging from confusion and anxiety through excitement to feelings of love, warmth and affection (Price, Arnould and Hausman, 1996). As Oliver (1993) has pointed out, the complexity of the satisfaction formation process is not yet fully understood and additional work in this area is needed. But there is some indication that delighting the senior tourist requires elements of surprise in the tourism product so that surprisingly positive disconfirmation can occur.

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A CONTINGENCY FRAMEWORK OF SATISFACTION FORMATION

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ABSTRACT

This article proposes a contingency approach to satisfaction formation. Based on central versus peripheral processing in the pre-usage stage and the product evaluation stage, the centrality of the traditional constructs (i.e., expectation, performance, disconfirmation) in satisfaction formation will differ. The framework has the potential of solving the inconsistencies among consumer satisfaction studies and of pointing to fruitful directions for future research.

INTRODUCTION

Because satisfaction is one ultimate goal of marketing activities, quite a lot of effort has been spent in developing a theoretical framework to explain the determinants, formation process, and consequences of consumer satisfaction (Yi 1990). Among these efforts, the expectancy-disconfirmation paradigm is the most studied and referenced research stream (Churchill and Surprenant 1982; LaTour and Peat 1979; Oliver 1980a, 1980b; Oliver and DeSarbo 1988; Spreng and Olshavsky 1993; Stayman, Alden, and Smith 1992; Tse and Wilton 1988). Researchers in this paradigm mostly agree that posttrial satisfaction/dissatisfaction is determined by the consumer's evaluation of the discrepancy between prior expectation (or some other comparison standard) and the actual perceived product performance after usage. Although fruitful results have been reported within this research stream, there is still no consensus on the definition of key constructs and the relationships among them (Yi 1990). Comparison standards have multiplied while some studies have shown that performance alone predicts satisfaction.

In this paper, it is argued that the evolution of the satisfaction literature clearly shows that a contingency approach is necessary in order to (1) determine which comparison standard (if any) is appropriate and (2) predict whether performance alone causes satisfaction. The Elaboration Likelihood Model (ELM) (Petty and Cacioppo 1981, 1986) provides a rich theoretical framework that can serve as a basis for developing such a contingency approach. The first part of this manuscript briefly reviews the evolution of the satisfaction literature. In the second part of the manuscript, an integrated contingency framework will be presented. Based on the core concepts of the ELM, the framework has the potential of solving the inconsistencies among consumer satisfaction studies and of pointing to fruitful directions for future research.

THE EVOLUTION OF CONSUMER SATISFACTION STUDIES

Early Research

Early research interest focused mainly on three theories. The first, contrast theory, proposes that consumers will compare the actual product performance to their before-trial expectation. If the actual performance is higher than or equal to the expectation, consumers will be satisfied and rate the product performance better than the actual performance. On the other hand, if the actual performance is lower than expectation, consumers will be dissatisfied and rate the product lower than the actual performance (Anderson 1973; Cardozo 1965; Engel, Kollat and Blackwell 1973; Howard and Sheth 1969; Swan and Combs 1976).

The second theory, assimilation theory, predicts that the post-trial evaluation is a positive function of consumers' before-trial expectation. Because the task of recognizing disconfirmation is psychologically uncomfortable, consumers tend to perceptually distort their expectation-performance discrepancy toward their prior expectation (Anderson 1973; Olshavsky and Miller 1972; Olson and Dover 1976, 1979).

The third, assimilation-contrast theory, predicts that whether the assimilation effect or the contrast effect occurs is a function of the degree of discrepancy between expected and actual performance. If the discrepancy is "large," consumers will magnify the discrepancy, so that the product is perceived as much better/worse than it was in actuality (as in contrast theory). If the discrepancy is not large enough, assimilation theory holds. That is, once a range of acceptable deviations around expectations is breached, the

discrepancy becomes psychologically distasteful, and only then the contrast effect occurs (Anderson 1973; LaTour and Peat 1979).

The Issue of Disconfirmation

All studies cited above share two limitations in explaining the whole process of consumer satisfaction. First, although they agreed that satisfaction results from a comparison process, they do not really measure disconfirmation in their research. The early works either manipulated only expectation (Anderson 1973; Cardozo 1965; Olson and Dover 1976, 1979) or both expectation and performance (Olshavsky and Miller 1972), but no work explicitly measured disconfirmation.

Oliver (1976) argued that disconfirmation should be measured independently because this post-trial evaluation may be very subjective and feeling based. The result of his empirical study showed that post-trial affect and intention were positively related to expectations and subjective disconfirmation. Moreover, the results also showed that there was no negative correlation between expectations and disconfirmation, and therefore the disconfirmation construct could be measured independently. Since Oliver's (1976) work, most empirical satisfaction theory research explicitly measured the disconfirmation construct (Swan and Trawick 1980; Churchill and Surprenant 1982; Cadotte, Woodruff, and Jenkins 1987; Tse and Wilton 1988; Spreng, MacKenzie, and Olshavsky 1996; Stayman, Alden and Smith 1992).

Comparison Standards

The second limitation early studies share is that researchers assumed that consumers used the expectation generated (mostly in experiments) as the standard for comparison. Expectation reflects the anticipated performance of a focal product, and it used to be the only comparison standard considered. Now researchers disagree over which comparison standard is relevant, or whether it is even fruitful to focus on only one or two comparison standards. Not only a variety of standards have been proposed, but also the expectation standard has received new scrutiny (Spreng and Olshavsky 1993).

Consider first extensions and refinements of the expectation construct. LaTour and Peat (1979) stressed the importance of experience-based expectation. Based on Thibaut and Kelley's (1959) comparison theory, they proposed and demonstrated empirically that the standard is a function of past experiences with similar products, to a lesser extent the experiences of similar consumers, and to still lesser extent the performance promised by the manufacturer. Consumers with relatively poor prior experience were more satisfied than consumers with relatively good prior experience, while the manufacturer-induced expectations have no effect on satisfaction. Based on this early research, Woodruff, Cadotte, and Jenkins (1983) proposed brand based and product based norms as comparison standards. Consumers derive both from the various brand and product experiences they have within the product class and in comparable usage situations. In a later experiment, Cadotte, Woodruff, and Jenkins (1987) found that product versus brand norms appeared to provide the standards for different restaurant types. Stayman, Alden, and Smith (1992) applied the schema switch concept to norm choice. They found that consumers will switch product category schema if new product attributes are very discrepant from prior schema. Common to these studies is the focus on expectations, albeit expectations derived from different sources.

A second stream of research looks at different types of norms (as well as expectations). For example, Miller (1977) introduces four different types of norms-- (1) expected; (2) ideal, the wished-for level; (3) minimum tolerable, or the least acceptable level; and (4) deserved, the should be or ought to be level. Westbrook and Reilly (1983) proposed that value should be the base for comparison, while Spreng and Olshavsky (1993) introduced a similar construct called desires. "Desires are beliefs about the product attributes or performance that will lead to higher-level values" (p. 172). These researchers showed that although desires congruency did not completely mediate the effects of performance on satisfaction, it was a better predictor than expectation disconfirmation in predicting satisfaction.

Performance as a Construct

In most of the satisfaction studies, product

performance was compared to the norm to determine disconfirmation. However, as Spreng and Olshavsky (1993) described, in some circumstances or product categories, product performance itself may be a major satisfaction determinant. Churchill and Surprenant (1982) found that although disconfirmation and expectation positively affected satisfaction in the case of a hybrid plant, the level of satisfaction for a video disc player was solely dependant on its performance. The experimental work by Tse and Wilton (1988) on a miniature recorder player, also supports perceived performance as a major determinant of satisfaction: "whenever a product performs well a consumer is likely to be satisfied, regardless of the level of the pre-experience comparison standard and disconfirmation" (p.205).

The importance of these results is that they challenge the key premise of the expectancy-disconfirmation paradigm. If performance is by far the major determinant of satisfaction, then the controversy over comparison norms becomes far less crucial.

Summary and Conclusion

From this brief survey of the literature, one can conclude that the first issue is how to choose the appropriate comparison standard (if any). Since every comparison standard proposed has some empirical support, one is led to the conclusion that there are contingency variables which result in the different experimental results. That is, consumers may (or are forced to) use different comparison standards in different situations. The key to theoretical advancement is to have a framework capable of classifying these situations in a meaningful way and then suggesting contingent standards.

The second issue is which constructs predict consumer satisfaction. This issue partially revolves around the classical argument of whether consumers will contrast or assimilate the comparative difference as discussed in the beginning of this paper. More central is the challenge to the key premise that such comparisons are even made: is performance all there is? Again, the conclusion is that a contingency theory of satisfaction formation can be a plausible explanation for the different results across studies.

It is argued below that the Elaboration Likelihood Model (Petty and Cacioppo 1981, 1986) provides a framework of affect, cognition and behavior that is directly applicable to the satisfaction formation process. In the following section, the basic concepts of the ELM are reviewed and then a contingency theory of satisfaction formation is proposed based on ELM concepts.

A CONTINGENCY MODEL OF SATISFACTION FORMATION

The Elaboration Likelihood Model (ELM) (Petty and Cacioppo 1981, 1986), posits that individuals are generally motivated to hold correct attitudes (an attitude is seen as correct to the extent that it is viewed as beneficial for the physical or psychological well-being of a person). However, situational and individual factors inherent in an evaluation setting may reduce the amount and type of thinking that people are willing or able to devote to evaluation processing. Two major categories of variables were identified by Petty and Cacioppo (1986): motivation and ability to process. Factors that may influence a person's motivation to process include personal relevance (Petty, Cacioppo, and Schumann 1983), need for cognition (Cacioppo, Petty, and Morris 1983), and personal responsibility (Petty, Harkins and Williams 1980). Factors that may influence a person's ability to process include distraction (Petty, Wells, and Brock 1976), message pace (Chaiken and Eagly 1976), and intelligence (Anderson and Jolson 1980).

If a person has no motivation and/or no ability to process information such as a persuasive message, he or she will follow a peripheral route; i.e., attitude changes without the person thinking about information central to the merits of the issue. For example, consumers may use source expertise, affective experience, simple cues (odor, color, number of arguments, and so on) to form product expectations or evaluate products. On the other hand, if he or she has motivation and ability to process the information, he or she will follow a central processing route; i. e., attitude changes with the person thinking about information central to the merits of the issue. Under this route, comprehension, learning, evaluation, elaboration,

Table 1
The Four Categories of Sequential Processing

		Post -Trial Stage : Motivation and Ability to Evaluate the Product Performance	
		High	Low
Pre-Usage Stage: Motivation and Ability to Evaluate the Pre-usage Information	High	Central, then Central Route Processing	Central, then Peripheral Route Processing
	Low	Peripheral, then Central Route Processing	Peripheral, then Peripheral Route Processing

Table 2
Centrality of Key Constructs in Predicting Satisfaction

		Post-Trial Stage:	
		Central Processing	Peripheral Processing
Pre-Usage Stage:	Central Processing	Disconfirmation (Cognitive)	Expectation
	Peripheral Processing	Perceived Product Performance	Disconfirmation (Affective)

and integration of the information will be critical for persuasion. Attitudes formed or changed by peripheral route processing are postulated to be relatively less persistent over time, less resistant to

change, and less predictive of long term behavior than those engendered by central route processing.

Processing of Two Sets of Stimuli

When a person purchases and evaluates a product, he or she actually is receiving two sets of attitude changing stimuli in sequence: first, the pre-usage or all information before trial, and second the product's performance after trial. The pre-usage information influences or persuades the person to purchase the product. If the person purchases the product, the product itself becomes the attitude changing and learning vehicle when the person begins to use and evaluate it. This argument is consistent with Hoch and Deighten's (1989) assertion that consumers know about a product or brand through two major learning sources--education which gels the pre-usage information (e.g., ads, word of mouth, public reports, etc.) and direct product experience. If each of these two sets of stimuli can be processed either peripherally or centrally, then four combinations are possible over the sequence: pre-usage information can be processed peripherally or centrally, followed by post-trial product performance information which can be processed peripherally or centrally.

Whether central or peripheral processing takes place for either of the two sets of stimuli depends on the consumer's motivation and ability to process the information (as postulated by the ELM; see Table 1). Motivation to process is intimately tied to involvement, while ability may depend on the consumer's familiarity with the domain and the ambiguity of the information environment. Several studies in the satisfaction literature did attempt to incorporate some of these factors in the past. Examples include involvement (Oliver and Bearden 1983; Patterson 1993; Richins and Bloch 1991; Shaffer and Sherrell 1997), confidence (Swan and Trawick 1980), and product ambiguity (Trawick and Swan 1981; Yi 1993). However, the present model considers consumer motivation and ability in both stages (i.e., concept and usage), and since the present framework is based on ELM, the richness of ELM can be folded into the satisfaction framework.

Four Categories of Sequential Processing

Based on central versus peripheral processing in each of the two stages (pre-usage information versus product evaluation), it is proposed that the centrality of the traditional constructs changes (see Table 2). Each of the four categories is discussed below. The contingency framework uses the term "expectation" to represent all possible pre-usage comparison standards. As mentioned, there is no consensus regarding which comparison standard is the most suitable or effective for predicting satisfaction formation. In certain situations, experience-based expectations or desires may be more effective than pure expected expectations.

Central-Central. If a person uses the central route to evaluate both the pre-usage information and product performance, it is proposed that the major determinant of satisfaction will be disconfirmation (see Table 2). At both stages, the consumer has the ability and the motivation to process the learning information. Therefore, s/he can directly compare perceived product performance to expectation. A review of the past experimental work in satisfaction demonstrates that if the subjects were experienced or knowledgeable users and the pre-usage information was not innovative (i.e., not beyond the current knowledge of the subject), the result of the research normally shows that disconfirmation is the one of the major determinant of satisfaction (Bearden and Teel 1983; Cadotte, Woodruff and Jenkins 1987; LaTour and Peat 1980; Oliver and DeSarbo 1988; Swan and Trawick 1980; Westbrook 1987).

Central-Peripheral. If a person uses the central route to process the pre-usage information, but the peripheral route to evaluate the product performance, the satisfaction evaluation of the focal product will be dominated by expectation rather than post-trial performance (see Table 2). This is because the learning generated by the central route in the pre-usage stage will be more persistent and resistant than the post-trial evaluation, therefore, the assimilation effect is more likely. The results of several past studies are consistent with the argument. Trawick and Swan (1981) found that if product performance is ambiguous to the consumers, the consumers tend

to "misinterpret" performance in the direction of their expectations. Similarly, Yi (1993) found that consumer satisfaction is determined largely by prior expectation when products are ambiguous. Anderson and Sullivan (1993) also showed that disconfirmation is less of a concern for products where quality is difficult to evaluate.

Peripheral-Central. If a person uses the peripheral route to process the pre-usage information and the central route to evaluate the product, the satisfaction evaluation will be determined mostly by perceived product performance (see Table 2). Research claiming that product performance is the major determinant of satisfaction generally falls within this context. As stated, consumers use the peripheral route to process the product information because of motivation or ability issues. For motivation issues, the argument here is consistent with what Oliver (1989) called "passive formation of expectation." Consumers may not have much motivation to process and generate expectation actively for certain kinds of products (e.g., continuous repeat purchase). Therefore, product evaluation alone can explain most of consumer satisfaction. For ability issues, there are several studies that can be served as examples for our argument. For example, the results of Churchill and Surprenant (1982) (video disc player) and Tse and Wilton (1988) (miniature record player) might be due to the inexperience or lack of product knowledge of the subjects. Both studies used shoppers or students to evaluate an innovative product (video disc player and miniature record player). The subjects probably had to use peripheral route processing to evaluate the advertisement type message because of their limited ability, while using central route to experience these relatively expensive products. Another example is the study by Spreng and Olshavsky (1993). The product they used was a new kind of camera. They found that product performance had a direct impact on satisfaction in addition to the indirect impact through desire congruency. If the proposed model is correct, the direct impact on satisfaction of product performance may be due to the partial domination of central route processing in the product evaluation stage. Yi (1993) also argued that consumers form their perceptions of product performance with stronger confidence when the product performance is unambiguous to them. This confidence in the performance perception may have a stronger effect on consumer-satisfaction formation.

Peripheral-Peripheral. If a person uses peripheral routes to evaluate both the pre-usage information and product performance, the major determinant of satisfaction will be affect disconfirmation (see Table 2). At both stages, consumers do not have the ability and/or motivation to process the information. They may use peripheral cues as the base to form their expectations and perceived product performances. Whether they will be satisfied with a product is dependent on whether they receive consistent peripheral cues in the product evaluating stage. Peripheral cues can be very subjective and affect based (Petty and Cacioppo 1986). Different persons in different situations may focus on different cues.

Based on marketing and economics literature, two types of consumer goods are likely to be processed via the peripheral route in both stages. The first one is called convenience goods (Copeland 1923). For this kind of product, consumers do not have motivation in evaluating the product in either the concept or the product evaluation stage. The second one is called credence product (Darby and Karni 1973). In this product class, consumers cannot judge the product even after using the product (e.g., some long-term medical treatments). In the first case, consumers do not have motivation, while in the second case, consumers do not have ability to process the information. Therefore, they use peripheral routes to process the information at both stages.

DISCUSSIONS AND FUTURE STUDIES

Based on the framework, consumer motivation and ability at the pre-usage and the trial stage can affect the centrality of key constructs in predicting satisfaction. This framework has the potential of solving the inconsistencies among past satisfaction studies. When consumers use central or peripheral routes to process the incoming information at both stages, the prediction of contrast theory will be more accurate. When consumers use the central

route to process the pre-usage information, but the peripheral route to evaluate the product performance, the prediction of assimilation theory will be more valid. Finally, when consumers use the peripheral route to process the pre-usage information, but the central route to evaluate the product performance, the prediction of performance theory will be more convincing.

Future studies can consider explicitly the motivation and ability of the subjects at both stages. The four scenarios can be tested empirically by manipulating the motivation or ability of evaluation at either stage. A meta-analysis research on the past studies may also provide a fruitful consolidation of the past efforts on studying satisfaction formation.

The framework also gives a clear guideline for marketing practitioners. For marketers, some products (central, then central processing) should never be over claimed, while others (central, then peripheral processing or peripheral, then central processing), should focus on building a solid foundation of expectation or product evaluation at the centrally processed stage. Take the medicine industry for example. If a new drug is very effective and consumers can perceive the effect immediately, the marketing effort should focus on letting consumers try the product since the major determinant of satisfaction is perceived product performance. On the other hand, if the effect of the new drug is long term, then the marketing effort should focus on building a strong faith in and expectation of the new drug. Marketers should try to let consumers process the product information through the central route (e.g., the reasons why the new drug works). A solid expectation generated by central processing can improve consumers' satisfaction with the product. Finally, for peripheral, then peripheral processing products, marketers need to make sure that consumers perceive consistent peripheral cues at the pre-trial and the trial stage, although the peripheral cues can be very subjective.

Several other issues need to be discussed here. First, the dichotomy in the two stages is a simplified one. The dimensions in each stage should be continuum. A consumer may not process information strictly based on one route. Therefore, satisfaction formation is seldom dominated by only one stage. The mixed influence of two routes may cause the research results to show that expectation, disconfirmation, and perceived performance all influence satisfaction levels. However, this framework can still provide a prediction of the relative importance of the three antecedents in influencing satisfaction.

Second, researchers need to be very careful in designing satisfaction studies. A subtle difference in experimental procedures may cause totally different results. For example, the different empirical results of the hybrid plant versus video disc player in Churchill and Surprenant's (1982) study may have been caused by the different expectation-generating instruments. As stated in their explanation, subjects in the hybrid plant were given objective attributes in measuring expectation (e.g., size will be about 10 inches), while subjects in the video disc player were given more subjective descriptors (e.g., picture quality is excellent). Apparently, the subjects in the hybrid plant case not only had the ability to generate exact expectation, but also could easily compare the product performance to their expectation (e.g., they could easily count the blossom number and size of the plant to form the reference). Subjects had the ability to process the treatment information by central route both in the pre-trial and post-trial stages, thus disconfirmation dominated in the study. In contrast, subjects in the case of video disc player could have fallen in the peripheral-central case (described above) and thus product performance dominated.

Third, one of the very important postulations of ELM is that the attitudes generated by the central route will be more persistent, resistant, and predictive of long term behavior than those based on the peripheral route (Petty and Cacioppo 1986). Therefore, it is postulated that if satisfaction is generated by at least one central route in the two processing stages, it will be more predictive of long-term behavior.

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CHANGES IN PRE- AND POST-PURCHASE EVALUATIVE CRITERIA: EXPLORING THE IMPACT ON CONSUMER (DIS)SATISFACTION

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ABSTRACT

Much literature examines consumers' pre-purchase information search, brand evaluation, and choice processes. In addition, there is a well-developed literature on consumers' post-purchase satisfaction and dissatisfaction responses. Yet, there is little work that investigates *both* pre-purchase evaluations and criteria and post-purchase evaluations and criteria. This paper proposes a vocabulary for classifying consumers' pre- and post-purchase evaluative criteria, as well as a set of research questions about criteria shifts. A study is presented to address these research questions. Findings indicate pre- and post-purchase sets of evaluative criteria are not identical for most subjects, either in the particular items mentioned or in their importance. Moreover, these shifts in evaluative criteria sets are linked to post-purchase evaluations of satisfaction/dissatisfaction, regret and disappointment, at least for less satisfied subjects. Implications for both academic research and marketing practice, as well as directions for future research, are discussed.

INTRODUCTION

Much literature examines consumers' pre-purchase information search, brand evaluation, and choice processes. In addition, a well-developed stream of literature investigates consumers' post-purchase satisfaction and dissatisfaction (CS/D) responses. However, there is surprisingly little work that attempts to link the pre-purchase evaluation processes and criteria to the post-purchase evaluation processes and criteria. Even the dominant paradigm of the CS/D literature, the expectancy-disconfirmation model (Anderson 1973; Oliver 1977, 1980), with its emphasis on comparing the performance of the chosen product to the expectations about that chosen product (or to some ideal or normative standard), does not consider how the evaluation processes and criteria might change between pre-purchase and post-purchase.

Yet, it is quite easy to think of situations in which the criteria consumers use to choose between brands are unrelated to their ultimate satisfaction or dissatisfaction with the product experience. For example, according to J. D. Power and Associates (1997), the most important criteria for business travelers in selecting an airline are flight schedules and frequent flyer programs. In contrast, the most important determinants of their satisfaction with the flight experience are on-time performance, schedule/ flight accommodations, airport check-in, seating comfort, gate location, aircraft interior, and flight attendants. Consequently, many additional factors, which were either unimportant or unavailable during the selection process, impact the traveler's satisfaction with the flight.

Similarly, in choosing a university to attend, students might be concerned with price, location, reputation, and quality of academic programs, while their satisfaction with their college choice might be more affected by the teaching quality, the variety of campus activities, and the number of friends they make. If situations in which the criteria do change between pre-purchase and post-purchase are prevalent, then measuring consumer satisfaction using only the choice criteria could yield an incomplete or even inaccurate picture of the post-purchase evaluation process. Moreover, as consumers discover new criteria post-purchase, upon which they are either satisfied or dissatisfied, they may very well incorporate those criteria into post-purchase activities such as word-of-mouth recommendations, complaining behavior, and repurchase decisions.

Thus, it is both an important theoretical question and a critical managerial issue to advance our understanding of the process whereby the evaluative criteria might shift between pre-purchase and post-purchase and to explore the impact these shifts might have on consumer satisfaction and dissatisfaction. This research will begin to fill this void. After first reviewing the relevant literature, we propose a vocabulary for classifying consumers' evaluative criteria and then present a study that begins to answer a set of related research questions.

LITERATURE AND BACKGROUND

Relationship Between Pre- and Post-Purchase Product Evaluations

The prevailing model in the consumer satisfaction/dissatisfaction literature is the expectancy-disconfirmation paradigm, which considers satisfaction/dissatisfaction responses to be a function of the consumer's expectations about the product performance, the product's delivered performance, and some form of comparison between the pre-purchase expectations and the post-purchase performance. Under the basic expectancy-disconfirmation model, perceived product performance which exceeds the consumer's expectations (positive disconfirmation) leads to satisfaction, while perceived product performance that falls below expectations (negative disconfirmation) leads to dissatisfaction (Oliver 1977, 1980). Moreover, performance that meets or confirms expectations has been said to lead to a neutral, "cool" satisfaction (Woodruff, Cadotte and Jenkins, 1983). This model has been validated across a variety of product categories including retail services, automobiles, and other consumer durables (Swan and Trawick 1981; Churchill and Surprenant 1982; Bearden and Teel, 1983).

Inman, Dyer and Jia (1997) proposed a more general model of post-choice evaluation that incorporates both disappointment and regret effects. The model allows for the effects of product performance, disappointment or elation (analogous to negative or positive disconfirmation, respectively), and regret or rejoicing (the negative or positive difference between the performance of the chosen alternative versus that of *unchosen* alternatives). Moreover, the authors even suggest that their model may be applied to the pre-purchase decision process, in that consumers may indeed anticipate their potential feelings of disappointment and regret and make choices which minimize that potential. With this pre-choice application of the model, they propose a link between pre-purchase and post-purchase evaluations, such that consumers might be able to think about how they will feel in a later stage and use that in early evaluations.

Thus the well-tested theory of disconfirmation, and the more recent studies on regret and disappointment, provide strong evidence of a connection between pre- and post-purchase evaluations. Gardial et al. (1994) extend our understanding of the relationship between pre/post evaluative processes by examining consumers' use of evaluative criteria.

Evaluative Criteria

Evaluative criteria are defined as "the relevant set of product characteristics describing consumers' desired product features, as well as their desired product performance levels associated with each" (Gardial, et al., 1994; p. 549). While the term implies no notion of comparison, consumers may use evaluative criteria as standards of comparison about product performance (expectations) or any host of other types of standards (Woodruff et al., 1991) informing product evaluations.

Gardial et al. (1994) provided a first investigation of the potential differences between pre- and post-purchase evaluative criteria by using retrospective personal interviews about consumer product experiences. The authors proposed a series of research questions about whether and how pre- and post-purchase evaluations might differ in terms of means-end hierarchical levels, evaluative criteria used, standards of comparison, evaluation outcomes and emotion responses. They interviewed their participants about pre- and post-purchase experiences in two product categories, and then coded each subject's verbalized "thoughts."

Results yielded a number of interesting findings. First, most subjects did not mention their pre-purchase evaluative criteria when recalling post-purchase thoughts, and when they did mention evaluative criteria, they shifted to a higher means-end hierarchical level. There was also a shift in the types of standards of comparison recalled between pre-purchase and post-purchase, with "other brands" recalled more often and "internal standards" recalled less often in post-purchase thoughts. In addition, post-purchase thoughts contained more evaluation outcome and emotion responses than did pre-purchase thoughts. Not surprisingly, the post-purchase thoughts, while differing substantially from the pre-purchase thoughts, were found to be quite similar in nature

to the thought lists derived from explicitly prompting subjects to consider satisfying or dissatisfying product experiences. These results are quite suggestive of the fact that the *type* of criteria consumers use differ between pre- and post-purchase evaluative processes.

Additionally, a recent study in the area of service quality measurement used a longitudinal survey methodology to evaluate the stability of consumer expectations and the relationship between (dis)satisfaction and pre-purchase expectations (Clow, Kurtz and Ozment 1998). Subjects completed an initial survey regarding their expectations about a local restaurant (which they chose from a list as being one they had not yet patronized) and were encouraged to eat at the selected restaurant. Three months later, they completed a follow-up survey about their experience with the restaurant as well as their recalled expectations *prior to* going to the restaurant.

The researchers predicted that consumers would shift their expectations post-consumption so as to justify their feelings of satisfaction or dissatisfaction with the restaurant experience, and results supported these predictions. Dissatisfied consumers shifted their expectations upward, while satisfied consumers shifted their expectations downward. The results emphasize how satisfaction/dissatisfaction responses can impact pre-purchase *levels* of expected performance on various criteria. However, the focus of the paper was on the proper timing for measuring consumer expectations in service quality applications and, thus, it did not investigate consumers' use of evaluative criteria to form satisfaction/ dissatisfaction evaluations.

This research indicated that the type of evaluative criteria consumers use shifts between pre- and post-purchase evaluations and that the stability of pre-purchase expectation levels is also suspect. The results of these studies raise the following research questions:

1. What is the nature of the change in evaluative criteria between pre- and post-purchase?

2. What is the relationship between changes in these criteria on pre-purchase expectations and post-purchase product reactions such as (dis)satisfaction, regret and disappointment?

These research questions provided the background for the study presented herein.

HYPOTHESES

First, we propose the simple hypothesis that pre-purchase and post-purchase evaluative criteria generally will be different. The Gardial et al. (1994) paper found that subjects mentioned different types of criteria in their discussions of purchase decisions than they mentioned in their discussions of satisfaction. Thus, we expect to replicate this result using a survey, rather than a personal interview, methodology.

Criteria Shift (H1): People use different sets of criteria in their pre-purchase and post-purchase evaluations.

We use the following terminology to distinguish the different ways in which the types of pre- and post-purchase evaluative criteria can differ. *Enduring criteria* are evaluative criteria that consumers use in forming both pre- and post-purchase product judgments. *Receding criteria* are evaluative criteria that consumers use in forming pre-purchase product judgments but do not use in forming post-purchase product judgments (i.e. these criteria recede from the consumer's evaluations). *Emerging criteria* are evaluative criteria consumers use in forming post-purchase product judgements but do not use in forming pre-purchase judgments (i.e. these criteria only emerge after consumption).

Next, we propose that the importance of the criteria may also change between pre-purchase and post-purchase evaluations. The importance of receding and emerging criteria is inherently different between pre-purchase and post-purchase. For example, receding criteria are used in pre-choice evaluations, and given some importance weight, but they are not mentioned in post-purchase evaluations, leading to an implied post-purchase importance weight of zero. Similarly, emerging criteria are not considered in pre-purchase, but they do become important in post-purchase evaluations. More interestingly, however,

the importance levels of enduring criteria also might change between pre-purchase and post-purchase. That is, many attributes which were important in determining product choices might be expected to be equally important in determining our satisfaction or dissatisfaction, yet, in fact, they might take on a more or less important role. For example, as long as we continue to make payments, the price of our car is likely to impact satisfaction, but it is perhaps less important after a purchase than before.

> Importance Shift (H2): The importance of the criteria will shift between pre-purchase and post-purchase.

Finally, we propose to relate the changes in evaluative criteria to the post-purchase evaluations of satisfaction, dissatisfaction, and regret. When the set of evaluative criteria do change, consumers, by definition, are using a different set of factors on which to base their satisfaction than those they used in making the purchase decision. Therefore, there is a new set of attributes upon which the product can satisfy or disappoint the consumers. We expect that consumers' satisfaction or dissatisfaction judgments will be more extreme when the set of criteria do change than when they are stable. This extremity effect should be particularly pronounced when consumers are dissatisfied with the product experience overall. That is, when consumers dislike the product consumption experience, a changed set of criteria represents new ways for the product to disappoint. Indeed, there is evidence of an asymmetric effect of disconfirmation and performance on (dis)satisfaction, in that negative disconfirmation and poor performance has been found to be more impactful than equivalent positive disconfirmation and acceptable performance (Anderson and Sullivan 1993; Mittal, Ross and Baldasare, 1998).

> Extremity of Responses (H3): Satisfaction/dissatisfaction responses will be more extreme when the criteria change than when they do not change, particularly when consumers are dissatisfied with the consumption experience overall.

METHODS

Subjects

Fifty-six undergraduate students volunteered for the study in exchange for extra credit in their introductory marketing course. They completed the survey in one session at the end of a regularly scheduled class.

Survey

The study consisted of a retrospective survey about movies. To begin, subjects were asked to recall the last movie they saw in the theater and how many movies they considered before making that selection. With that movie experience in mind, subjects recalled a list of all of the factors which, *before viewing the movie*, they thought would be important to their overall reaction to it. For each factor they listed, they also indicated how important they thought that factor would be (on a 1 to 7 scale, where 1 = extremely unimportant and 7 = extremely important). They also gave their expected rating of the movie on a 100 point scale (1 = worst possible movie and 100 = best possible movie), and their expected feelings about the movie (1 = terrible and 7 = delighted), as well as answering several scales about their general expectations about the movie (1 = very bad and 7 = very good; 1 = very uninteresting and 7 = very interesting; 1 = very unexciting and 7 = very exciting).

Next, subjects were instructed to think back to their thoughts and feelings after viewing their chosen movie. First, they indicated all of the factors which, *after viewing the movie*, turned out to have an impact on their overall reaction to the movie and how important each of these factors were in their evaluation. Continuing to think about their reactions after viewing the movie, they provided a rating on the same 1 to 100 scale used previously, as well as their feelings about the movie (delighted-terrible scale), and their evaluation of the movie's performance (good, interesting, exciting scales). Next, they answered a series of post-consumption evaluation questions: satisfaction (1 = extremely dissatisfied, 7 = extremely satisfied), disappointment (1 = no disappointment, 7 = extreme disappointment) and

Table 1
Simple Means, Correlations and Significance Levels

Variable	Delight-Terrible *(Pre)*	Rating *(Pre)*	Satisfaction	Delight-Terrible *(Post)*	Rating *(Post)*	Disapp.	Regret	Glad I Chose This *(Reverse Scored)*	Wish I Had Chosen Other
(Means)	(5.73)	(80.3)	(5.91)	(5.96)	(84.3)	(1.78)	(1.54)	(1.89)	(1.84)
Delighted-Terrible *(Pre)*	1.00	.714 (.0001)	.157 (n.s.)	.207 (n.s.)	.257 (.07)	-.208 (.12)	-.247 (.07)	-.265 (.05)	-.321 (.02)
Rating *(Pre)*		1.00	.271 (.04)	.284 (.03)	.423 (.0001)	-.287 (.03)	-.345 (.009)	-.348 (.009)	-.343 (.009)
Satisfaction			1.00	.794 (.0001)	.882 (.0001)	-.706 (.0001)	-.700 (.0001)	-.736 (.0001)	-.679 (.0001)
Delighted-Terrible *(Post)*				1.00	.912 (.0001)	-.840 (.0001)	-.804 (.0001)	-.833 (.0001)	-.797 (.0001)
Rating (Post)					1.00	-.875 (.0001)	-.918 (.0001)	-.896 (.0001)	-.863 (.0001)
Disapp.						1.00	.839 (.0001)	.872 (.0001)	.827 (.0001)
Regret							1.00	.899 (.0001)	.870 (.0001)
Glad I Chose								1.00	.953 (.0001)
Wish I Had Chosen									1.00

regret (1 = no regret, 7 = extreme regret), and indicated their level of agreement with two statements, "I'm glad I saw the movie I did" and "I wish I had chosen another movie" (1 = strongly disagree, 7 = strongly agree). Finally, they completed a few demographic questions and indicated how long ago they had viewed the movie they described in the survey.

RESULTS

Means and Correlational Data

As is the norm in consumer satisfaction research, the variables in the study are highly inter-correlated. Table 1 shows the simple means for each of these variables and the correlations between them. As would be expected, *Satisfaction* was significantly positively correlated with the

Table 2
Frequency of Occurrence of Each Criteria Set

Enduring Only	*Enduring and Emerging Only*	*Enduring and Receding Only*	*Emerging and Receding Only*	*Enduring, Emerging and Receding*
17	3	14	5	17

Table 3
Mean Responses to the Dependent Measures, Split by Stability of Evaluative Criteria

Dependent Measure[4]	**Stable Set (n = 17)**	**Unstable Set (n = 39)**
Satisfaction[1]	5.62	6.04
Delighted-Terrible (Post)[1]	5.65	6.10
Movie Rating (Post)[2]	80.25	86.26
Regret[1]	1.82	1.41
Disappointment[1]	2.08	1.64
Disconfirmation[3]	.176	.274

[1] 1 to 7 point scales.
[2] 1 to 100 point scale.
[3] 1 to 6 point scale (difference between two 1 to 7 point scales).
[4] All p's > 0.10.

performance *Rating* (both before and after consumption; $p<.05$ and .0001, respectively) and the post-consumption *Delighted-Terrible* scale, ($p<.0001$), while it was significantly negatively correlated with the disappointment and regret measures (*Disappointment, Regret, Glad I Chose This Movie, Wish I Had Chosen Another Movie;* all p's <.0001). In addition, *Disappointment, Regret, Glad I Chose This Movie* (Glad; reverse-scored), and *Wish I Had Chosen Another Movie* (Wish) were also all significantly positively correlated with each other (all p's <.0001) and significantly negatively correlated with both the performance rating (*Rating Post*) and the post-consumption *Delighted-Terrible Scale* (all p's < .0001).

Both the expected performance (*Rating Pre*) and the actual performance (*Rating Post*) were positively correlated with *Satisfaction* and the *Delighted-Terrible* scale and negatively correlated with all of the disappointment and regret measures, but the correlations with the actual (post-purchase) performance were stronger. Also unsurprisingly, the post-consumption *Delighted-Terrible* scale was more strongly correlated with each of the other post-consumption evaluation measures (*Satisfaction, Rating Post, Disappointment, Regret, Glad, Wish;* p's < .0001) than was the pre-consumption *Delighted-Terrible* scale (p's >= .05, except with Wish).

Hypothesis Testing

The product class employed in this study proved to be sufficiently rich and varied to allow for analysis of the changes in evaluative criteria. The 56 subjects listed 284 total factors as their evaluative criteria, averaging just over 5 factors per subject. In addition, the 284 total factors included 52 unique evaluative criteria upon which satisfaction was (or was expected to be) based. Table 2 shows the number of subjects who exhibited each type of criteria set--only enduring criteria; emerging, receding, and enduring criteria; or some subset of the three. Not surprisingly, almost all subjects (51/56) exhibited at least one enduring criterion. Moreover, the most common patterns subjects exhibited were 1) only enduring criteria, 2) enduring and receding criteria, and 3) all three types of criteria. Only five subjects had completely different lists before and after consumption (resulting in a pattern of only emerging and receding criteria), and only three subjects reported just enduring and emerging criteria.

These results support the criteria shift hypothesis (H1). Thirty-nine out of the 56 subjects, or approximately 70%, had either emerging or receding criteria or both. Thus, less than one-third of the subjects maintained an identical set of criteria both before and after the consumption experience. This result is especially strong given that the survey was retrospective, with both the pre-purchase and post-purchase criteria recalled during the same session. The importance shift (H2) was also supported. The enduring factors became more important, on average, in post-purchase than in pre-purchase. The mean difference between the pre- and post-consumption importance weights was .33 out of a possible 6.0 (t_{51} = 2.36, p=.02).

To test the extremity hypothesis, each subject's list of evaluative criteria was classified as either stable (if the list of factors remained the same) or unstable (if there was any change in the list). Using this classification, the hypothesis was directionally-supported but was not statistically significant. Table 3 shows the mean responses on all dependent measures for consumers with both the stable and unstable criteria sets. (Note that disconfirmation was measured as the difference between the post-consumption ratings and the pre-consumption ratings and was not answered directly by subjects). Consumers were marginally more satisfied and delighted, as well as marginally less disappointed or regretful, when their set of criteria was unstable than when the set of criteria was the same.

To test whether the extremity hypothesis would be more strongly supported when consumers were dissatisfied, the analyses were re-computed after removing the highly satisfied subjects. Table 4 shows the means for all dependent measures for consumers with both stable and unstable criteria, using only the subjects who gave a satisfaction rating of 4 or 5. Only four subjects gave a satisfaction score below the scale midpoint (4), making it impossible to use that to split subjects into satisfied and dissatisfied. It also did not seem reasonable to split the data using the mean (5.91) or median (6.0) of the satisfaction responses, as these corresponded to ratings of "highly-satisfied" on the scale. Splitting the half of the scale that most subjects actually used (i.e., ratings of 4 – 7) into two sections (4-5 and 6-7) seemed to be a reasonable alternative.

Indeed, as expected, the results are much stronger for this subset of the data than they were for the entire set. The stability of the choice set did have a significant effect on *Satisfaction*, *Disappointment*, and *Disconfirmation* (all p's < .05 for two-tailed tests). However, the direction of the effect was the opposite of that predicted. It was hypothesized that, when the consumption experience was negative (dissatisfying), an unstable set of evaluative criteria presented opportunities of new ways for the product to disappoint. However, it appears that the opposite occurred here. Those with an unstable set were more satisfied, rated the movie more highly, were less disappointed, and experienced less negative disconfirmation than did those with a stable set of evaluative criteria. Perhaps, rather than finding new criteria upon which the product disappointed them, the subjects found unexpected ways that it delighted them. In fact, a review of the subjects' open-ended responses did lend credence to this explanation. (The most common movie choice was "Titanic," and many subjects expressed surprise at the emotional responses it elicited and the degree to which they became involved in the story.)

Table 4
Mean Responses to Dependent Measures, for Dissatisfied Subjects Only

Dependent Measure	Stable Set (n = 4)	Unstable Set (n = 10)	t	df	p-value
Satisfaction[1]	2.50	4.30	2.41	12	.03
Delighted-Terrible (Post)[1,4]	3.25	4.50	1.10	3.4	.14
Movie Rating (Post)[2,4]	40.50	64.44	1.08	3.4	.16
Regret[1]	4.25	2.30	-1.46	12	.17
Disappointment[1]	5.13	2.80	-2.49	12	.03
Disconfirmation[3]	-2.25	-.33	2.26	12	.04

[1] 1 to 7 point scales.
[2] 1 to 100 point scale.
[3] 1 to 6 point scale (difference between two 1 to 7 point scales).
[4] Degrees of freedom are adjusted due to unequal variances between the two groups.

CONCLUSIONS

This research makes several important contributions. First, it explored the relationship between pre-purchase and post-purchase evaluations using a survey methodology, rather than a personal interview technique. Using quite a conservative test (in which pre-purchase and post-purchase evaluations were measured in the same occasion), we were able to verify that the two sets of evaluative criteria differed for the majority of consumers. Moreover, even for those criteria that were included in both pre- and post-purchase evaluations, we found that the importance weights given to these criteria did not stay the same. In fact, in this study, the enduring criteria became more important post-purchase than they had been pre-purchase.

Another important contribution of this research is the framework presented for classifying the types of evaluative criteria. We provide the first documentation of the frequency of different types of evaluative criteria sets (i.e., Table 2), as well as descriptive terminology for these different criteria. It is important to have a vocabulary for describing these types of criteria, and how they change between the pre- and post-purchase evaluation settings, in order to be able to conduct research in this area. Thus, we provide a terminology and framework that can be used in future studies of this criteria shift.

Finally, the most important contribution of the paper is the link provided between the changes in the criteria set and the post-purchase evaluations. While the link between the stability of the criteria set and post-purchase evaluations was not significant for the overall data set, it was significant for several important measures when the data were restricted to only less satisfied subjects. This result is consistent with the literature that finds a stronger effect of negative attribute information and product experiences than positive. Interestingly, though, the effect was not as predicted. Rather than an unstable criteria set indicating that subjects found new ways that the product disappointed them, it appeared to indicate that subjects found unexpected ways in which it delighted them. Indeed, all four subjects who gave satisfaction ratings below the scale midpoint had *stable* criteria sets. Thus, this paper continues the

exploration of the link between pre- and post-purchase evaluative criteria begun by Gardial et al. (1994) and provides an important first step in linking these changes in evaluative criteria to consumers' post-purchase evaluations. Clearly, though, this phenomenon requires further study.

LIMITATIONS AND FUTURE RESEARCH

One potential for the unexpected finding that an unstable criteria set led to greater satisfaction rather than greater dissatisfaction (for the less satisfied subjects only) could have been the product class employed here. Although the product category of movies is quite relevant for student subjects, it also has some unique characteristics. Movies have more hedonic (or experiential) attributes than utilitarian (or functional) attributes. There is also relatively low risk with choosing a movie, as the potential negative consequences merely involve the loss of a small amount of money and a few hours of time. In addition, it appears from our data set that consumers are highly satisfied with their movie choices overall. This high satisfaction level resulted even though subjects were not specifically asked to recall a positive experience or pre-selected to be especially avid movie-goers. Thus, future research should include a variety of product classes - both functional and hedonic and those that normally involve both positive and negative experiences.

A second limitation of this research was the retrospective nature of the survey. We believe that the retrospective nature of the survey represents a conservative test of the first hypothesis, and the changes in these criteria sets would likely be even more dramatic when measured at different times. Nonetheless, several studies have pointed out that there are important differences between measuring these evaluations simultaneously in a retrospective study and measuring them at different times in a longitudinal design (Taylor 1997; Clow, Kurtz and Osment 1998). It is an important area for future research to denote exactly how the results are likely to differ between these two types of research designs in consumer satisfaction research, as both designs are frequently employed in the literature and in practice.

This paper was designed as an exploratory investigation of the phenomenon of shifting criteria between pre- and post-purchase. Thus, while the results presented here are suggestive and interesting, there are many important avenues for future research in addition to those mentioned above. A natural next step would be to analyze *how* these three types of criteria - enduring, emerging, and receding - differ via a means-end hierarchy or on some other dimensions, such as functional-hedonic, product-focused or consumer-focused, etc. The resulting classifications would have important managerial implications for measuring both pre-choice and post-consumption evaluation processes.

Another important direction for future research, following along the lines of the Inman, Jia and Dyer (1997) work, would be to connect these criteria shifts to re-purchase intentions or customer retention rates. Although this represents a more difficult methodological task, future research should also consider whether or not consumers "learn" from their shifts in evaluative criteria so as to make better, more satisfying choices the next time they make a decision in the product category.

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PERCEIVED PERFORMANCE IN SATISFACTION RESEARCH

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ABSTRACT

A great deal of satisfaction research has included the concept of perceived performance, yet a number of questions about this construct remain. While some argue that measures of perceived performance are confounded with other constructs, others claim that it is all that managers may need to measure. We examine the conceptual definition of perceived performance, and review various measures of it. Finally, we test two alternative measures of perceived performance and find that measures that have a strong "evaluative" component are essentially measures of attribute satisfaction. Implications for satisfaction research and practice are discussed.

INTRODUCTION

Most research in consumer satisfaction has included, at least conceptually, the concept of "perceived performance." Perceived performance is usually modeled as an antecedent of disconfirmation of some standard, and sometimes is included as a direct antecedent of satisfaction. Yet this concept is still unclear in satisfaction research. Many studies have not defined perceived performance, and measures of this construct are quite varied. In addition, some authors argue that performance measures are all that are needed in satisfaction research, while others argue that performance measures at best give a partial picture. For example, Oliver (1989, p. 2) suggested that a focus on the specific attributes that drive satisfaction is not sufficient: "While this 'attribute basis' of satisfaction/dissatisfaction is intriguing, it says little, however, about the specific thought processes triggered by the product features. In particular, it fails to identify the mechanism by which performance is converted into a psychological reaction by the consumer." Given its widespread use in academic research, and its frequent use by firms to identify the key drivers of satisfaction and dissatisfaction (Oliver 1997), a greater understanding of the conceptual nature of perceived performance is needed.

The purposes of this research are to examine the conceptual definition of perceived performance and assess two measures of it. We believe that the construct of perceived performance can be separated into two distinct constructs. The first will be called *perceptual performance*, which is defined as the evaluationless cognitive registering of the product attributes, levels of attributes, or outcomes. The second construct will be called *evaluative performance*, which is an evaluative judgment of product attributes or the product outcomes that is made by assessing the ability of the product to meet one's needs or desires. Past research has operationalized perceived performance in both ways. An empirical study will be used to test the discriminant validity of these two types of performance measures. Implications for research in satisfaction will be discussed.

Perceived Performance in Satisfaction Research

Conceptual nature of perceived performance. As important as the "perceived performance" concept appears to be, it is puzzling that the nature of this perception is usually not clearly defined. For example, in an important article on consumer satisfaction, Churchill and Surprenant (1982) provided conceptual definitions that have been widely adopted in subsequent research, yet did not provide a definition of "perceived performance." Likewise, Tse and Wilton (1988) argued for the importance of perceived performance in explaining satisfaction, but did not define this term. They did, however, attempt to specify the causal determinants of perceived performance.

Spreng, MacKenzie and Olshavsky (1996, p. 20) defined perceived performance as "beliefs regarding the product attributes, levels of attributes, or outcomes." Similarly, Oliver (1997, p. 28) defined performance as "The perceived amount of product or service attribute outcomes received." Note that both these definitions deal with perceptions or beliefs, not necessarily an evaluation of these beliefs. While many perceived performance measures include a "valence" or "evaluation" it is possible to define and measure perceived performance in an evaluationless manner.

The empirical effects of perceived performance on satisfaction. When perceived performance is included in satisfaction models, a strong relationship between perceived performance and satisfaction has often been found. For example, Churchill and Surprenant (1982) tested two products, and while perceived performance was a significant predictor of satisfaction for both products, for one of the products perceived product performance was the *only* variable related to satisfaction. They concluded that the only way to increase satisfaction for this product would be to increase product performance. Tse and Wilton (1988, p. 205) came to a similar conclusion, saying "...then whenever a product performs well a consumer is likely to be satisfied, regardless of the levels of the pre-existing comparison standard and disconfirmation." They found that a model that included perceived performance as the only antecedent of satisfaction outperformed any other single variable model, including a disconfirmation model. When estimating a multiple determinant model that included performance, disconfirmation, and expectations as direct antecedents of satisfaction, performance continued to dominate the formation of satisfaction (standardized coefficients of .55, .27, and .23 respectively). Spreng and Olshavsky (1993) found strong effects of performance on satisfaction, although this effect was largely mediated by desires congruency. Spreng, MacKenzie and Olshavsky (1996) also found a strong effect of performance, but in this case the effect was completely mediated by expectations disconfirmation and desires congruency.

The measurement of perceived performance. In terms of operationalization of the construct of perceived performance, most past research has used measures similar to attitude measures. That is, scales have been evaluative in nature, whereby the scales measure how good/bad the performance was. Oliver (1997) refers to this as including a "valence" in the measurement of performance. For example, the performance of the video disk player in Churchill and Surprenant (1982) was assessed by scales such as "The quality of the color reproduction was: terrible...excellent."

The Conceptual Definition of Perceived Performance

There are two ways in which the term "perceived" has been used, either in a perceptual, or alternatively, in an evaluative sense. The perceptual meaning deals with the gathering and interpreting of stimuli that are registered by one's senses, and involves sensory memory, pattern recognition, and attention (Matlin 1989). Holbrook (1981, p. 14) discussed a similar idea when he proposed "subjective attribute perceptions that intervene between objective product features and ultimate brand evaluations." For example, consumers may be able to distinguish the amount of bass in stereo systems, and can estimate the level of this attribute. This use of the term will be referred to here as "perceptual performance," which means the "evaluationless" assessment of the product, subject to the limitations of one's sensory memory, pattern recognition, and attention. Therefore, perceptual performance is defined as *the evaluationless cognitive registering of the product attributes, levels of attributes, or outcomes; these are beliefs, which are the subjective probabilities that the aspect in question is associated with the product* (Fishbein and Ajzen 1975). Note that this definition is quite compatible with those of Spreng, MacKenzie, and Olshavsky (1996) and Oliver (1997) discussed above.

This definition is similar to the belief component of multiattribute attitude models, and Fishbein and Ajzen (1975) called these beliefs "descriptive beliefs":

> This definition implies that belief formation involves the establishment of a link between any two aspects of an individual's world. One obvious source of information about such a relationship is direct observation; that is, a person may perceive (via any of his sense modalities) that a given object has a certain attribute. For example, he may see or feel that a given table is round, he may taste or smell that a given glass of milk is sour, or he may see that a given person has dark skin. These direct experiences with a given object result in the formation of descriptive beliefs about that object. Since the validity of one's own senses is rarely questioned, the

> descriptive beliefs are, at least initially, held with maximal certainty. (p. 131-132).

The only limitation to Fishbein and Ajzen's discussion is that in the realm of product perceptions one may not be able to perceive the attribute (e.g., unless the milk is very sour, one may not be quite sure whether or not it is). Thus, it is important to remember that as used here, the perception of performance is still limited by the individual consumer's ability to sense variation in product performance, and may therefore be different from the "actual performance," as technically measured.

Alternatively, "perceived performance" can refer to the different *evaluations* various consumers might make while processing the same stimulus. An example here might be that one consumer prefers a lot of bass in stereo reproduction, while another does not. Assuming that these two subjects can detect the presence and level of this attribute, if they are asked "How well does this product perform with regard to the sound quality," with the question anchored with evaluative terms (such as "terrible/excellent") their answers will differ not because they are *hearing* different things, but because what they hear is being *evaluated* differently. Here the term "evaluative performance" will be used to refer to this evaluative construct, defined as *an evaluative judgment of product attributes or the product outcomes that is made by assessing the ability of the product to meet one's needs or desires.*

Most measures of "perceived performance" in the satisfaction literature deal with this second type since the scales have a strongly evaluative component. (e.g., Churchill and Surprenant 1982; Tse and Wilton 1988; for an exception, see service quality research in which performance measures are often less evaluative [e.g., Parasuraman, Zeithaml and Berry 1988]). Cadotte, et al. (1987, p. 313) criticized these types of evaluative scales:

> Standard Scaling approaches, such as the semantic differential or Likert-type scales, commonly are used, but these scales all too easily include anchor words that connote evaluation--good/bad, fast/slow, friendly/ unfriendly. Because a standard is implied by such words, such scales can confound the measures of norms/expectations, brand performance beliefs, and disconfirmation. Thus, scales that measure true beliefs rather than evaluations should be used.

They suggest developing scales that "cue the respondent to an object's objective level of an attribute," which is what we referred to above as perceptual performance.

Thus, the construct of "perceived performance" that has often been used in past research is comparable to measuring an attitude, but not differentiating between belief elements (b_i) and evaluation elements (e_i). That is, as we define them, "perceptual performance" is the belief component, while "evaluative performance" includes both belief and evaluation components.

Other researchers have suggested similar ideas. Oliver (1989, p. 4) suggested that "events are first judged as positive, negative or neutral vis-a-vis one's desires...In the context of product satisfaction, a product outcome might be judged as 'good for me-bad for me,' 'fulfilling my need-not fulfilling my needs,' etc." Westbrook and Reilly (1983) stated that the process of evaluation "consists of estimating the relationship of an object, action, or condition to an individual's values" (P. 256), and this cognitive-evaluative process leads to the emotional response of satisfaction/dissatisfaction. Sirgy (1984, p. 28) termed this process "evaluative congruency," which is "a cognitive process in which a perception is compared to an evoked referent cognition for the purpose of evaluating a stimulus object/action." In developing their desires-based model of satisfaction Spreng and Olshavsky (1993) argued that desires are compared with perceived performance to produce desires congruency. Similarly, we argue that the only way to assess performance on a scale anchored (for example) "Terrible/ Excellent" is for the consumer to compare the performance outcome with his/her desires.

Perkins and Reynolds (1988, p. 122) make a similar argument from a means-end analysis perspective:

> Means-end theory argues that preference and perception stem from different processes. Physical attributes serve as a basis for

perceptual distinctions between products, but preferential differences develop from within the consumer. Preference is based on how the product is personally meaningful to the consumer.

While it is clear that the two "perceived performance" constructs described here are *conceptually* distinct, it is important to also show that they are *empirically* distinct from each other, and from other postpurchase constructs such as satisfaction. Oliver (1997, p. 13) defines satisfaction as the consumer's fulfillment response, which is a judgement that the product provides a pleasurable level of fulfillment, and that fulfillment "implies that a goal exists, something to be filled. Thus, fulfillment (and satisfaction, as explained later) can only be judged with reference to a standard." Oliver goes on to say that "A fulfillment, and hence a satisfaction judgment, involves at the minimum two stimuli - an outcome and a comparison referent."

Our "perceptual performance" construct would be comparable to Oliver's "outcome" and "evaluative performance" would be the same as his "fulfillment response." Thus, the problem with operationalizing perceived performance in evaluative terms is that these evaluations are produced by the same cognitive mechanism as judgments of satisfaction. Attribute perceptions will be good when the attribute is perceived to be instrumental to the attainment of higher level values/desires, and poor when it does not. Indeed, this is probably what accounts for the generally strong relationship between "evaluative performance" measures and satisfaction that has been observed in the literature (e.g., Churchill and Surprenant 1982; Tse and Wilton 1988). When perceived performance is measured in evaluative terms like this it is essentially just a measure of attribute level satisfaction.

Finally, note that perceptual performance is distinct from "actual performance," which is product outcome that can be measured in some technical way. Here, "actual performance" refers to aspects of the product that can be measured and described, such as the frequency response of a speaker or the time it takes a particular car to go from zero to 60 mph. This "actual performance" can then be perceived by the consumer, and evaluated as "good" or "bad" by a comparison with his/her desires. In some cases, "actual performance" and "perceptual performance" may be the same, as when the consumer uses a stop watch to measure the speed of a car, or reads and accepts the "zero to 60" time in a product brochure. In other cases the consumer may need to rely on more imperfect measures to make the assessment, as when he/she watches a car accelerate and decides that the car is fast. This "perceptual performance" (e.g., "this car is fast") can then be compared to one's desires (e.g., "I want a car with lots of speed") to determine the "evaluative performance" of the product ("the speed of this car is excellent").

METHOD

This section examines empirically these two types of performance measures. The key issue is whether they are distinct from attribute level satisfaction. A confirmatory factor analysis is estimated for each of five attributes (see Figure 1). The CFA specifies a "perceived performance" construct as operationalized by both perceptual performance and evaluative performance, and attribute satisfaction as operationalized by both attribute satisfaction and evaluative performance. Thus, evaluative performance is specified as an indicator of both the perceived performance and the attribute satisfaction constructs. The factor loadings on these two constructs will indicate if evaluative performance is a measure of performance or satisfaction. Desires congruency (at the attribute level) and overall satisfaction are also included in the CFA to assess their discrimination with the two performance measures.

Subjects

Subjects were adults who were recruited from a local church, and each subject was processed individually. The church received compensation for each person who participated. A total of 219 subjects participated, with usable responses obtained from 209. Subjects had a median age category of 31 to 35 years (ranging from 18 to more than 65), and 56 percent were female.

Figure 1
Confirmatory Factor Analysis Models of Perceptual Performance and Evaluative Performance*

Perceptual Performance
Attribute Satisfaction
Desires Congruency
Overall. Satisfaction
Perceptual Performance$_i$
Evaluative Performance$_i$
Attribute Satisfaction$_i$
Desires Congruency$_i$
Sat 1
Sat 2
Sat 3
Sat 4

*For clarity of presentation factor intercorrelations are not shown. See Tables 3a-e for all factor intercorrelations.

Procedure and Measures

Subjects were given manipulations of desires and expectations (which are not relevant for the current study), completed a pre-experience questionnaire that measured expectations and desires, then experienced the product (a camcorder) in which performance was also manipulated. Following the product experience subjects completed the post-experience questionnaire that contained measures of perceptual performance, evaluative performance, desires congruency, and attribute-level satisfaction. Each of these constructs was measured on five attributes (ease of use, versatility, picture quality, picture sharpness, and picture colors). Finally, overall satisfaction was measured with four indicators.

The perceptual performance measures asked "How did you think the camera actually performed?" using an 11-point scale for each attribute. The scale to measure the attribute "ease-of-use" was anchored "Not very easy to use" (1), "Moderately easy to use" (6) and "Very easy to use" (11). The versatility scale was anchored "Moderately versatile, able to take video in typical situations" (1), "Good versatility, able to take video in most situations" (6), and "Extremely versatile, able to take video in all situations" (11). The picture quality measure was anchored "Average quality" (1), "Very good quality" (6), and "Extremely high quality" (11). The picture sharpness measure was anchored "Average Sharpness" (1), "Very good sharpness" (6), and "Extremely Sharp" (11). The picture colors measures was anchored "Average colors" (1), "Very good colors" (6), and "Extremely brilliant colors" (11). While it might be argued that these scales still have a valence to them, there is a limit to how "evaluationless" perceptual measures such as these can be. In addition, two of the attributes (ease of use and versatility) are probably ideal point attributes, and the remaining three are vector attributes. That is, for the first two attributes some consumers would not want a product with scores at the high end of the scale (e.g., a camera that is extremely versatile might be too complicated to use). Thus, a camcorder that delivers "good versatility" might be more positively evaluated than one that delivers "extreme versatility." In fact, on questions that assessed subject's desires, only two-thirds of the respondents were above the midpoint on this attribute.

The evaluative performance measures used a seven-point scale for each of the five attributes, anchored by "Terrible" (1) and "Excellent" (7). This matches or is similar to many evaluative operationalizations of perceived performance in previous satisfaction studies (e.g., Churchill and Surprenant 1982 ("Terrible/Excellent"); Tse and Wilton 1988 ("Very poor/Very good").

Desires congruency was operationalized with the "additive difference model" method described by Spreng, MacKenzie, and Olshavsky (1996). For each attribute the subject responded to a measure asking "In comparison to the level of each aspect that you desired, how big was the difference between what you wanted and what the camcorder actually provided?" Seven-point scales anchored by "Exactly as I desired" and "Extremely different from what I desired," with a midpoint of "Somewhat different from what I desired" were used. Immediately following each attribute question, the subject was asked: "How good or

bad was this difference?" with an 11-point scale (-5 to +5), with "Very bad" and "Very good" as endpoints and "Neither bad nor good" as the midpoint. Desires congruency for each attribute was operationalized by multiplying the "how different" measure by the evaluation of the difference. Therefore, these measures represent a belief regarding the degree to which the attribute matched the subject's desires and an evaluation of this belief. These measures are included here to further assess the empirical nature of evaluative performance. In particular, the results will show whether evaluative performance measures are more closely related to perceptual performance, desires congruency, or attribute satisfaction.

Attribute satisfaction was measured by asking: "Thinking just about the product itself, how satisfied are you with this product?" A seven-point scale was used to measure each attribute, anchored by "Very dissatisfied" and "Very satisfied," with "Indifferent: neither satisfied nor dissatisfied" as the midpoint.

Finally, overall satisfaction was operationalized by four seven-point scales anchored by "Very satisfied/Very dissatisfied," "Very pleased/Very displeased," "Contented/ Frustrated," and "Delighted/Terrible." These four measures were used as multiple indicators of the latent construct of overall satisfaction.

RESULTS

CFA Model Results

Table 1 shows model fit results for each of the five attributes and indicates very good fit for each attribute. Table 2 shows the measurement parameters for each attribute and indicates that in each case the factor loading for evaluative performance on the perceived performance construct is non-significant, while in each case the factor loading for evaluative performance on the attribute satisfaction construct was significant and strong. This indicates that evaluative performance is an alternative measure of attribute satisfaction, and not perceived performance.

Given the conceptual definition of evaluative performance (evaluative judgment of product attributes or the product outcome that is made by assessing the ability of the product to meet one's needs or desires), it is possible that there could be a lack of distinction between evaluative performance and desires congruency. Examination of modification indices did not indicate that evaluative performance should be modeled as an indicator of desires congruency for any of the attributes. In addition, Tables 3a-e report the factor intercorrelations and there appears to be discrimination among the constructs. In particular, while the correlation between attribute satisfaction (with evaluative performance as one measure) and desires congruency is generally high, they are distinct. Fornell and Larcker (1981) suggest that for discriminant validity to be shown, the squared correlation between any two constructs must be lower than either of the constructs' average variance extracted. This shows that the variation accounted for by the construct (the AVE) is higher than the shared variance for the two constructs (the squared correlation between the constructs). The average variance extracted cannot be computed for the desires congruency constructs since they are operationalized with a single item, but Table 2 shows that the AVE for the attribute satisfaction construct for each attribute ranges from .68 to .86. Examination of Tables 3a-e show that in each case this test holds, since for each attribute the AVE is higher than the squared factor correlation between attribute satisfaction and desires congruency.

DISCUSSION

The results explain why a strong effect of performance on satisfaction is often found. When evaluative performance measures of performance are used, they are not distinct from attribute measures of satisfaction. Therefore, the relationship between perceived performance and satisfaction is inflated due to this lack of discrimination.

Some have argued that performance measures are sufficient in measuring satisfaction, but if the measures are strongly evaluative, then they are simply measures of satisfaction at the attribute level. As pointed out by Oliver (1997), this type of measurement is likely to be inadequate since it doesn't provide information as to why an attribute is satisfying or dissatisfying. Taking the current research study as an example, some subjects desired a camcorder that was moderately versatile

Table 1
Model Fit

Attribute	χ^2	d.f.	p-value	GFI	AGFI	CFI
Ease of Use	15.26	15	.43	.98	.96	1.00
Versatility	17.48	15	.29	.98	.95	1.00
Picture Quality	11.94	15	.68	.99	.97	1.00
Picture Sharpness	13.18	15	.59	.98	.96	1.00
Picture Colors	13.31	15	.58	.98	.96	1.00

Table 2
Measurement Parameters
Completely Standardized Parameters (t-values)*

Attribute	$\lambda_{EP,\ Performance}$	$\lambda_{EP,\ Attribute\ Satisfaction}$	$\lambda_{Asat,\ Attribute\ Satisfaction}$	AVE
Ease-of-Use	-.09 (-.99)	.80 (7.96)	.85 (13.57)	.68
Versatility	-.03 (-.35)	.94 (10.47)	.91 (16.68)	.86
Picture Quality	.10 (1.34)	.85 (10.54)	.94 (17.62)	.80
Picture Sharpness	.10 (1.37)	.84 (10.52)	.95 (17.96)	.81
Picture Colors	.06 (.81)	.88 (11.42)	.93 (17.29)	.82

*The first subscript for each lambda is the indicator and the second subscript is the latent construct. For example $\lambda_{PP,\ Performance}$ is the factor loading of perceptual performance measure on the performance construct. PP = perceptual performance; EP = evaluative performance; Asat= attribute satisfaction; AVE = average variance extracted for the attribute satisfaction construct.

Table 3a
Factor Intercorrelations for Ease of Use Attribute

	1	2	3	4
1. Perceived Performance	1.00			
2. Attribute Satisfaction	.68	1.00		
3. Desires Congruency	.13	.46	1.00	
4. Overall Satisfaction	.06*	.26	.44	1.00

* Not significant at $p < .05$

Table 3b
Factor Intercorrelations for Versatility Attribute

	1	2	3	4
1. Perceived Performance	1.00			
2. Attribute Satisfaction	.78	1.00		
3. Desires Congruency	.62	.81	1.00	
4. Overall Satisfaction	.51	.67	.54	1.00

Table 3c
Factor Intercorrelations for Picture Quality Attribute

	1	2	3	4
1. Perceived Performance	1.00			
2. Attribute Satisfaction	.80	1.00		
3. Desires Congruency	.65	.82	1.00	
4. Overall Satisfaction	.58	.73	.63	1.00

Table 3d
Factor Intercorrelations for Picture Sharpness Attribute

	1	2	3	4
1. Perceived Performance	1.00			
2. Attribute Satisfaction	.79	1.00		
3. Desires Congruency	.66	.82	1.00	
4. Overall Satisfaction	.58	.67	.61	1.00

Table 3e
Factor Intercorrelations for Picture Color Attribute

	1	2	3	4
1. Perceived Performance	1.00			
2. Attribute Satisfaction	.77	1.00		
3. Desires Congruency	.64	.85	1.00	
4. Overall Satisfaction	.57	.68	.60	1.00

while others desired one that was very versatile. Just capturing an evaluation of the versatility (e.g., a 1 on an 11-point "terrible...excellent" scale) does not indicate whether the consumer desired a moderately versatile camcorder and received an extremely versatile one, or vice-versa. Oliver (1997, p. 39) describes other situations in which a poor (or good) performance (as ascertained by a performance measure) may be difficult to interpret, such as performance below expectations or inequity perceptions.

Performance measures that, as Cadotte, Woodruff and Jenkens (1987) suggested, "cue the respondent to an object's objective level of an attribute," were used here and were called perceptual performance. These measures indicated good discrimination from other constructs such as attribute satisfaction. Thus, in general, research should use evaluative performance measures only as measures of attribute level satisfaction. Perceptual performance measures are likely to be more valuable in research, particularly when asked in conjunction with a standard such as an ideal or desired level of performance.

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INVOLVEMENT WITH SERVICES: AN EMPIRICAL REPLICATION AND EXTENSION OF ZAICHKOWSKY'S PERSONAL INVOLVEMENT INVENTORY

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ABSTRACT

The involvement construct is a key theoretical entity within the general marketing as well as the consumer satisfaction, dissatisfaction, and complaining behavior literatures. Involvement with services is used in the conceptualization and measurement of satisfaction with services and complaining behavior regarding services. The following study investigates the efficacy of using Zaichkowsky's Personal Involvement Inventory (PII) as a basis for operationalizing the involvement construct within the context of service research. Zaichkowsky (1994) suggests that her original 20-item instrument can be efficiently reduced in marketing research to a ten-item scale representing both affective and cognitive dimensions. Stafford and Day (1995) empirically assess this proposition in two unique service settings, and report evidence providing some initial support for Zaichkowsky's (1994) assertions. The current research replicates and extends these two studies in a study conducted across four unique service settings located throughout the United States. The results of the current research provide strong support for a further reduced eight-item subset of Zaichkowsky's PII that appears as a relatively reliable and valid measure of the affective and cognitive dimensions of the involvement construct within the context of services. Further, the two-dimensional psychometric properties identified in the eight-item scale (i.e., cognitive and affective dimensions) appear robust across service settings thereby potentially minimizing the impact of service heterogeneity. Research and managerial implications of this study are presented and discussed.

INTRODUCTION

Involvement has long held status as an important social psychology and, by extension, consumer behavior construct. While the construct has received a good deal of attention in the consumer behavior/marketing literature, particularly in product contexts, comparatively little empirical attention has been devoted to involvement within service settings despite its potential usefulness.

Involvement is widely recognized as a significant explanator of consumer behavior. For example, involvement has been implicated in the hierarchy of communication effects (Ray, Sawyer, Rothschild, Strong, & Reed, 1973; Vaughn, 1980), attitude formation and change (Petty, Cacioppo, & Schumann, 1983) and information processing (Greenwald & Leavitt, 1984). Involvement has also been studied for its influence on information search (Bloch, Sherrell, & Ridgway, 1986), opinion leadership (Higie & Feick, 1989), postpurchase evaluation (Korgaonkar & Moschis, 1982; Oliver & Bearden, 1983), and brand commitment (Kapferer & Laurent, 1986). Not only has the involvement construct played an important role as an explanatory variable in consumer behavior, but it has also been examined as a segmentation variable in product (Kapferer & Laurent, 1986; Assael, 1992) and service contexts (Webster, 1988; Longfellow & Celuch, 1993). Involvement with services is used in the conceptualization and measurement of satisfaction with services and complaining behavior regarding services.

Zaichkowsky (1985) reported what has become a milestone effort in measuring the involvement construct in the consumer behavior literature. Zaichkowsky's (1985, p. 342) Personal Involvement Inventory (PII) was originally developed as a unidimensional measure of the motivational state of involvement relative to consumer products, advertisements, and purchase decisions which focuses on "...A person's perceived relevance of the object based on inherent needs, values, and interests." Operationally, the original PII is a set of twenty semantic differential scale items that were initially developed based in large measure on student data. In developing the

measure, internal consistency, test-retest reliability, content validity, criterion validity, and construct validity were assessed and judged to be satisfactory. However, Zaichkowsky (1985) suggested that a limitation of the PII was the lack of tests of convergent and discriminant validity in the development of the scale.

Zaichkowsky (1994) revisited the PII and identified two significant limitations of her twenty-item index in light of subsequent research. First, she noted that some researchers have doubted the robustness and validity of the PII in capturing the distinctly affective or cognitive bases of advertisements. Second, evidence had been presented that the twenty-item scale exhibited redundancy, leading to calls for the use of subsets of the items to represent the involvement construct (c.f., Munsen & McQuarrie, 1987; Lichtenstein, Bloch, & Black, 1988).

Based on these criticisms of the PII, Zaichkowsky (1994) set out to reduce the twenty-item index to a smaller subset of items that captured both emotional and cognitive types of involvement in a reliable and valid manner. The result of her efforts was the identification of a subset of nine items from the original twenty-item PII plus an additional semantic differential item poled with "involving/uninvolving." Similar to her original PII, Zaichkowsky's (1994) reduced ten-item scale was developed based largely on student samples and related specifically to product and advertising contexts.

Stafford and Day (1995) argued that a meaningful extension of involvement research would be related to the development of appropriate measures of the involvement construct for service contexts (as opposed to considering primarily product contexts). This call appears appropriate given that the growing importance of services to the economy of the United States has been well documented in the literature (Heskett, Sasser, & Hart, 1990; Quinn, 1992; Zeithaml and Bitner 2000). Further, as noted by Zeithaml, Parasuraman, and (1985), several important distinctions can be drawn between products and services. For example, services are more *intangible* than products. Further, services may be produced and consumed at the same time; thus, production and consumption can be *inseparable*. Relative to products, there tends to be much *less standardization* in the performance of services. And, lastly, since services cannot be stored and are more susceptible to fluctuating demand than are products, services are more *perishable*. As such, the PII needs to be carefully evaluated in a service context as distinctions between products and services (i.e., less standardization, intangibility, and inseparability) may influence consumer responses to some items in ways that influence the reliability and validity of the measure as well as the identification of affective and cognitive dimensions within the PII.

Therefore, a worthwhile avenue of services marketing research would be the identification of the role of involvement in services marketing phenomena. However, in order to achieve this objective, a reliable and valid scale of the involvement construct *within the context of services* will be necessary. The purpose of the current research is to identify whether such a measure can be derived from the work of Zaichkowsky (1985; 1994).

Support for the stated purpose of the current research can be found in the work of Stafford and Day (1995), which provides a meaningful extension of the work of Zaichkowsky (1994) in a number of ways. First, these authors identify that Zaichkowsky's (1994) assertion that the PII is context-free makes the PII an appropriate base for exploratory attempts to operationalize the involvement construct in service contexts. Second, they suggest the argument that involvement with either products or services most likely contains both affective and cognitive components is consistent with value-expressive and utilitarian benefits often associated with services. In fact, emerging services research suggests that both cognitive and affective determinants exist for numerous constructs in services, including satisfaction (Oliver, 1993) and value (Holbrook, 1994). Third, they disregard the addition by Zaichkowsky (1994) of an "involving/uninvolving" semantic differential scale item in their analyses. We support this position, as the purpose of both Zaichkowsky's (1994) and Stafford and Day's (1995) studies was to identify a reduced set of reliable and valid measures *of the original PII* for marketers. Thus, if a reliable and valid subset of the original twenty-items of the PII scale can be identified, then the addition of a new item appears

unnecessary, even redundant. Finally, Stafford and Day (1995) conduct their empirical assessment using a nonstudent sample in two service settings, which arguably increases the confidence with which marketers can comfortably generalize the reported research to service settings.

However, the results of Stafford and Day's (1995) study provide only relatively weak empirical evidence supporting a nine-item reduced set proposed by Zaichkowsky (1994). While their study does demonstrate that the two-factor conceptualization of the involvement construct appears to represent an improvement over the unidimensional index perspective, the indices for model fit reported by Stafford and Day (1995) suggest room for improvement. Thus, the primary purpose of the current research is to replicate these studies in a larger number of service settings to ascertain whether a subset of Zaichkowsky's (1985) PII can in fact be considered a reliable and valid measure of the involvement construct across alternative service settings. Specifically, we achieve this end by investigating the psychometric properties of (1) Zaichkowsky's (1985) original twenty-item PII as a one factor scale versus (2) Zaichkowsky's (1994) nine-item two factor scale reduction as suggested by Stafford and Day (1995). The next sections present the methods and results of the current research.

METHOD

Sample

The data for the current research derives from four hundred and twenty-six completed surveys that were collected from consumers of services in six cities located throughout the United States. The method of data collection employed personal interviews of consumers captured via mall intercepts. The personal interviews concerned four service industries (i.e., airline transportation services [n=99], amusement park recreation services [n=102], telecommunication services [n=108], and health care services [n=116]) with consumers being asked to assess one of two firms within the industry they were evaluating. The service organizations identified in the research are well known national brands familiar to most individuals in the United States based on aggressive advertising practices. The airlines included Delta and Continental Airlines, the amusement parks included Busch Gardens and Disney World (both in Florida), the fast food outlets were McDonald's and Wendy's, the telecommunication firms were AT&T and Sprint, and the hospitals were one of two in each city best known to consumers based on convenience samples of consumer responses prior to data collection. Individuals were queried to ensure that they had personally used the service within the last forty-five days prior to participation in the study.

Since the data for the study are collected from many separate locations throughout the United States, it is important to determine whether the data can be said to be from the same general population. Specific comparisons were made between the study's sample versus national statistics for the U.S. population based on the demographic characteristics of age, gender, education, and income. No differences were observed between the samples and national indices based on the identified demographic characteristics.

RESULTS

Performance of Zaichkowsky's (1985) Original PII Index

The Appendix presents Zaichkowsky's (1985) original PII that was used for purposes of the current research. As stated previously, Zaichkowsky (1985) originally envisioned the PII as a twenty-item unidimensional measure of the involvement construct. The first step in our investigation was to conduct an exploratory factor analysis (EFA) to determine if a single factor appeared to adequately describe the collected data across the four identified service settings. The criteria for the EFA analyses were designed to reflect Zaichkowsky's original analyses and included factor extraction using principal components with a standard of eigenvalues greater than 1.00, and varimax factor rotation. The results of the EFA suggested that the factor structure of the original twenty-item PII varies across service settings: telecommunication services (three factors), transportation services (4 factors), recreational services (two factors), and health care

Table 1
Confirmatory Factor Analyses for Unidimensionality of Zaichkowsky's (1985) Original PII

	Telecommunications Services			Transportation Services			Recreational Services			Health Care Services		
Measure of Fit	Congeneric Model	Tau-Equivalent Model	Parallel Forms Model	Congeneric Model	Tau-Equivalent Model	Parallel Forms Model	Congeneric Model	Tau-Equivalent Model	Parallel Forms Model	Congeneric Model	Tau-Equivalent Model	Parallel Forms Model
χ^2	560.92	609.92	676.77	550.25	577.22	619.17	Input matrix not positive definite.	Input matrix not positive definite.	619.17	656.06	742.52	833.34
df	170	189	208	170	189	208			208	170	189	208
p	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00
RMSR	.10	.15	.14	.095	.14	.13			.13	.11	.17	.15
GFI	.61	.58	.51	.61	.60	.56			.56	.61	.55	.49
AGFI	.52	.54	.51	.52	.55	.56			.56	.52	.50	.49
NFI	.67	.64	.60	.65	.63	.60			.60	.65	.60	.55
CFI	.74	.72	.69	.72	.72	.70			.70	.71	.67	.63
RMSEA	.15	.15	.15	.15	.15	.14			.14	.16	.16	.16

df = degrees of freedom
p = significance level of χ^2 statistic
GFI = Goodness of Fit Index
RMSR = Root Mean Square Residual
AGFI = Adjusted Goodness of Fit Index
NFI = Normed Fit Index
CFI = Comparative Fit Index
RMSEA = Root Mean Square Error of Approximation

services (three factors). Readers should be aware that Varimax factor rotation failed to converge in 25 iterations in the case of transportation services. Therefore, the less restrictive OBLIMIN factor rotation was employed in this specific case.

We next employed confirmatory factor analysis (CFA) using LISREL 8 to determine if in fact the unidimensional conceptualization of Zaichkowsky's (1985) PII adequately represents data in the service contexts we assessed. Joreskog and Sorbom (1989, p. 114) state, "The most common type of measurement model is the one-factor congeneric measurement model;..." Joreskog and Sorbom define congeneric measures as measures (i.e., x1, x2,..., x20 in the current case) that have pairwise correlations equal to unity. However, these authors further identify two more measurement models used in confirmatory factor analysis to ascertain unidimensionality that we also considered in the current research. The parallel measurement model hypothesizes that the measures have both equal true score variances and equal error variances. The tau-equivalent measurement model hypothesizes that the measures have equal true score variances, however, possibly different error variances. Table 1 presents the results of confirmatory factor analysis using all three measurement models across the four service settings investigated in the current research.

Joreskog and Sorbom (1993) suggest that the goodness of fit of structural equation models, such as employed in the current investigation's confirmatory factor analyses, can be judged by several measures of overall fit: the chi-square (χ^2) statistic, Goodness-of-Fit Index (GFI), Adjusted Goodness-of-Fit Index (AGFI), and the Root Mean Square Residual (RMSR). The use of multiple measures of overall model fit in assessing the performance of structural equation models is generally supported in the literature. For example, Joreskog (1969) expressed early concerns for over-interpreting the chi-square statistic when using

Table 2
Exploratory Factor Analysis of the Nine-Item Reduced Scale[1]

Variable	Telecommunication Services		Transportation Services		Recreational Services	Health Care Services	
Important	.77		.82		.78	.80	
Relevant	.73		.81	.33	.87	.67	
Means A Lot	.67		.80		.88	.86	
Valuable	.79		.73		.89	.67	
Interesting	.71	.46	.66	.53	.86	.70	
Exciting		.88		.86	.84		.88
Appealing		.79		.77	.80		.84
Fascinating		.88		.86	.84		.85
Needed	.73		.67		.86	.62	
Eigenvalue	4.86	1.29	4.69	1.42	6.46	3.99	1.63
% of Variation	54.0	14.3	52.1	15.8	71.8	44.3	18.2
Coefficient α	.8915		.8799		.9495	.8228	

1 = Factor scores of < .3 are omitted to aid in readability of the table.

LISREL. Consequently, a variety of measures of fit in structural equation models have evolved in recent years to augment the interpretation of the chi-square statistic (see Bollen, 1989 or Tanaka, 1993 for a discussion of these issues). Bagozzi and Baumgartner (1994, p. 400) recently review these alternatives, concluding that: "Among the relative fit indices, the comparative fit index (CFI) proposed by Bentler (1990) seems to hold the greatest promise for assessments of overall model fit..." We also note that the Bentler and Bonett's (1980) normed fit index (NFI) has appeared popular in the literature. Finally, we recognize that Browne and Cudeck (1993) suggest using the (Root Mean Square Error of Approximation (RMSEA), with values of 0.08 or less representing reasonable errors of approximation in a population. Thus, we assess goodness of fit of confirmatory factor models using LISREL-based structural equation analyses in the current research by evaluating the performance of these six accepted measures of model fit: the chi-square statistic, GFI, AGFI, RMSR, NFI, CFI, and RMSEA.

The results in Table 1 demonstrate that Zaichkowsky's (1985) original PII index fails to perform adequately in any of the four services we investigated. That is, in no case did any of the measures of fit we assessed in confirmatory factor analysis demonstrate what might commonly be considered acceptable performance. We interpret these results as suggesting that Zaichkowsky's (1985) full twenty-item PII does not appear an appropriate measure of consumers' involvement with services.

Table 3
Confirmatory Factor Analyses for Unidimensionality of Zaichkowsky's (1995) Nine-Item Reduced Scale

	Telecommunications Services			Transportation Services			Recreational Services			Health Care Services		
Measure of Fit	Congeneric Model	Tau-Equivalent Model	Parallel Forms Model	Congeneric Model	Tau-Equivalent Model	Parallel Forms Model	Congeneric Model	Tau-Equivalent Model	Parallel Forms Model	Congeneric Model	Tau-Equivalent Model	Parallel Forms Model
χ^2	110.37	121.40	137.57	114.82	134.81	151.03	79.38	83.46	97.49	Input matrix not positive definite.	Input matrix not positive definite.	Input matrix not positive definite.
df	27	35	43	27	35	43	27	35	43			
p	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
RMSR	.092	.13	.12	.10	.14	.13	.045	.068	.061			
GFI	.78	.77	.74	.77	.74	.70	.84	.84	.81			
AGFI	.64	.70	.72	.62	.66	.69	.73	.79	.80			
NFI	.78	.76	.73	.76	.72	.68	.90	.90	.88			
CFI	.82	.82	.80	.80	.77	.75	.93	.94	.93			
RMSEA	.17	.15	.15	.18	.17	.16	.14	.12	.11			

df = degrees of freedom
p = significance level of χ^2 statistic
GFI = Goodness of Fit Index
RMSR = Root Mean Square Residual
AGFI = Adjusted Goodness of Fit Index
NFI = Normed Fit Index
CFI = Comparative Fit Index
RMSEA = Root Mean Square Error of Approximation

Performance of Zaichkowsky's (1994) Two-Factor Reduced Scale

The failure of Zaichkowsky's (1985) original PII to adequately measure consumers' involvement with services does not necessarily mean that the PII lacks value for service marketers. The second phase of the current research was to determine whether a reduced set of these items might capture hypothesized cognitive and affective dimensions in a more reliable and valid fashion. In order to assess this question we replicated the tests conducted on the full twenty-item PII as discussed above, only now on the reduced set of items consistent with those identified by Zaichkowsky (1994) and Stafford and Day (1995).

Table 2 presents the results of the *exploratory* factor analysis of the nine-item conceptualization. The results of these analyses suggest that in every case except recreational services, a relatively consistent separation of cognitive and affective dimensions may be captured by the identified items. Further, the only item that appears to confound the affective and cognitive dimensions is the "interesting" item, and then only in the cases of the telecommunication and transportation services settings. Stafford and Day (1995) appear to have found similar results related to the "interesting" item, and suggested that the item may best reflect the cognitive dimension of involvement, in contrast to Zaichkowsky's (1994) argument that "interesting" may best reflect the affective dimension. Stafford and Day support this assertion by suggesting that since services required active participation in the production/creation of the service, consumers may direct greater attention

Table 4
Confirmatory Factor Analyses for Unidimensionality of an Eight-Item Reduced Scale from the PII

	Telecommunications Services			Transportation Services			Recreational Services			Health Care Services		
Measure of Fit	Conge-neric Model	Tau-Equivalent Model	Parallel Forms Model	Congeneric Model	Tau-Equivalent Model	Parallel Forms Model	Congeneric Model	Tau-Equivalent Model	Parallel Forms Model	Congen-eric Model	Tau-Equivalent Model	Parallel Forms Model
χ^2	98.68	107.54	119.27	90.81	101.65	107.60	60.17	64.75	78.33	156.50	174.12	178.49
df	20	27	34	20	27	34	20	27	34	20	27	34
p	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RMSR	.096	.13	.12	.11	.13	.12	.044	.069	.060	.16	.15	.14
GFI	.77	.77	.75	.79	.75	.73	.87	.86	.83	.73	.70	.70
AGFI	.59	.69	.74	.63	.67	.71	.77	.82	.82	.51	.59	.69
NFI	.76	.74	.71	.74	.71	.70	.91	.91	.89	.61	.56	.55
CFI	.80	.79	.78	.78	.77	.77	.94	.94	.93	.63	.60	.61
RMSEA	.19	.17	.15	.19	.17	.15	.14	.12	.11	.24	.22	.19

df = degrees of freedom
p = significance level of χ^2 statistic
GFI = Goodness of Fit Index
RMSR = Root Mean Square Residual
AGFI = Adjusted Goodness of Fit Index
NFI = Normed Fit Index
CFI = Comparative Fit Index
RMSEA = Root Mean Square Error of Approximation

to services than products when entering into exchange relationships. In summary, the exploratory factor analyses of the nine-item, two-factor conceptualization of involvement suggests initial support for such a conceptualization.

Based on this initial evidence, we next conducted confirmatory factor analysis on the nine item, two factor model (see Table 3). The results in Table 3 suggest that the nine-item, two-factor conceptualization appears better supported than is the twenty-item full PII in the telecommunications, transportation, and recreational service settings. Thus, we interpret the results as providing some support for the assertion by Zaichkowsky (1994) and Stafford and Day (1995) that a reduced set of items from the PII appears better able to capture both cognitive and affective dimensions of consumers' involvement with services. However, like the results reported by Stafford and Day (1995), the measures of model fit reported in Table 3 of the current research suggest room for improvement.

Performance of an Eight-Item, Two-Factor Reduced Scale

The results of exploratory factor analyses reported in Table 2 suggest that the performance of the measurement model may be improved by deleting the "interesting" item, thereby yielding an eight-item reduced scale as opposed to the nine-item reduced scale advocated by Zaichkowsky (1994) and Stafford and Day (1995). Given that at least three scale items exist for both cognitive and affective dimensions even after eliminating the "interesting" item, we are confident that the potential tradeoff between overall model performance versus the elimination of an ill-performing redundant scale item appears worthy of consideration. Based on this argument, we conducted confirmatory factor analyses of both the unidimensional and two-factor conceptualization using only the identified eight scale items.

Table 4 presents the results of confirmatory factor analyses of the unidimensional

Table 5
Confirmatory Factor Analyses for Eight-Item Versus Nine-Item Reduced Scale from the PII

	Telecommunications Services		Transportation Services		Recreational Services		Health Care Services	
Measure of Fit	Eight-Item Model	Nine-Item Model	Eight-Item Model	Nine-Item Model	Eight-Item Model	Nine-Item Model	Eight-Item Model	Nine-Item Model
χ^2	22.19	38.06	25.68	57.92	40.21	61.76	29.46	53.76
df	19	26	19	26	19	26	19	26
p	.27	.06	.14	.0003	.0031	.0001	.059	.0011
RMSR	.05	.053	.049	.063	.034	.041	.071	.071
GFI	.95	.93	.93	.88	.92	.88	.93	.89
AGFI	.91	.88	.88	.80	.85	.80	.87	.81
NFI	.95	.93	.93	.88	.94	.93	.93	.88
CFI	.99	.97	.98	.93	.97	.95	.97	.94
RMSEA	.04	.066	.06	.11	.11	.12	.069	.096

df = degrees of freedom
p = significance level of χ^2 statistic
GFI = Goodness of Fit Index
RMSR = Root Mean Square Residual
AGFI = Adjusted Goodness of Fit Index
NFI = Normed Fit Index
CFI = Comparative Fit Index
RMSEA = Root Mean Square Error of Approximation

conceptualization using the eight-item reduced set of questions from Zaichkowsky's (1985) original PII. The results suggest that eliminating the "interesting" item and using the remaining eight items, as a single-factor index does not appear to improve the performance of the measurement model in the service settings investigated in the current research. We interpret these results as generally supporting Zaichkowsky's (1994) argument that the involvement construct is most likely not conceptually unidimensional in nature.

Based on these findings, we conducted confirmatory factor analyses on Stafford and Day's (1995) nine-item reduced scale as well as our own proposed eight-item reduced scale (see Table 5). The results reported in Table 5 suggest that both measurement models represent relatively superior performance when compared to the performance of the full twenty-item PII (see Table 1), the nine-item measurement model as an index of involvement (see Table 3), and our own proposed eight-item version as a unidimensional index (see Table 4). However, the results in Table 5 further demonstrate that our two-dimensional eight-item measurement model appears superior to Stafford and Day's (1995) nine-item version across the measures of model fit employed in the current research. Given the original purpose of Zaichkowsky (1994), Stafford and Day (1995), and the present research was to attempt to identify the most parsimonious, reliable, and valid set of items for measuring consumers' involvement with services, the weight of the evidence appears to support the proposed eight-item reduced set of

Table 6
Test for Convergent Validity for Two-Factor Model

Variable	Telecommunication Services	Transportation Services	Recreational Services	Health Care Services
Affective Dimension				
Exciting	.82 (9.80)	.79 (8.51)	.86 (10.59)	.88 (10.80)
Appealing	.75 (8.68)	.76 (8.04)	.82 (9.85)	.72 (8.40)
Fascinating	.92 (11.49)	.79 (8.52)	.83 (9.97)	.82 (9.84)
Cognitive Dimension				
Needed	.55 (5.77)	.68 (7.15)	.84 (10.30)	.45 (4.91)
Important	.78 (8.98)	.72 (7.73)	.79 (9.38)	.81 (9.93)
Relevant	.65 (7.09)	.85 (9.78)	.86 (10.78)	.56 (6.33)
Means A Lot	.78 (8.99)	.74 (8.06)	.87 (10.93)	.95 (12.68)
Valuable	.79 (9.27)	.71 (7.58)	.90 (11.57)	.56 (6.32)

Lambda-x Estimates (Maximum Likelihood)
T-Values in parentheses

items as a relatively robust and parsimonious measure of the involvement construct in service settings. The next section further investigates the psychometric properties of the proposed scale.

Reliability and Validity of the Eight-Item Reduced Scale

Nunnally (1978) suggests that a set of items with an associated coefficient α score of $\geq .7$ can be considered internally consistent. Based on this standard, the items corresponding to the affective and cognitive dimensions from the proposed eight-item scale appear reliable in all four service settings investigated in the current research: telecommunication services (affective coefficient $\alpha = .8600$; cognitive coefficient $\alpha = .8309$), transportation services (affective coefficient $\alpha = .8239$; cognitive coefficient $\alpha = .8527$), recreational services (affective coefficient $\alpha = .8766$; cognitive coefficient $\alpha = .9289$), and health care services (affective coefficient $\alpha = .8464$; cognitive coefficient $\alpha = .8008$).

The validity of the measurement model investigated in the current confirmatory factor analyses can be assessed by considering the convergent and discriminant validity properties of the scale. Anderson and Gerbing (1988, p. 416) note that: "Convergent validity can be assessed from the measurement model by determining whether each indicator's estimated pattern coefficient on its posited underlying construct factor is significant (greater than twice its standard error)." Table 6 presents the lambda-x coefficients and demonstrates that in all cases the parameters estimates appear statistically significant (i.e., t-values are greater than 2). Thus, evidence indicates that the measurement model related to the proposed eight-item, two-factor scale for involvement possesses convergent validity.

Bagozzi and Phillips (1982) suggest that if convergent validity is apparent, it is appropriate to test for discriminant validity. Anderson and Gerbing (1988, p. 416) state that: "Discriminant

Table 7
Test for Discriminant Validity for Two-Factor Model

Service Industry Setting	Model with Correlation Between Factors Constrained to Unity (Φ=1)	Model with Correlation Between Factors Free	Chi-Square Difference Test
Telecommunications Services	χ^2 (20 df) = 98.75, p=0.00	χ^2 (19 df) = 22.19, p=0.27	χ^2 (1 df) = 75.56, p<.005
Transportation Services	χ^2 (20 df) = 90.81, p=0.00	χ^2 (19 df) = 25.68, p=0.14	χ^2 (1 df) = 65.13, p<.005
Recreational Services	χ^2 (20 df) = 60.17, p=0.00	χ^2 (19 df) = 40.21, p=0.003	χ^2 (1 df) = 19.96, p<.005
Health Care Services	χ^2 (20 df) = 156.50, p=0.00	χ^2 (19 df) = 29.46, p=0.059	χ^2 (1 df) = 127.04, p<.005

validity can be assessed for two estimated constructs by constraining the estimated correlation parameter (ϕ_{ij}) between them to 1.0 and then performing a chi-square difference test on the values obtained for the constrained and unconstrained models (Joreskog, 1971)." Bagozzi and Phillips (1982) suggest interpreting the chi-square difference test by looking for a significantly lower χ^2 for the model in which the trait correlations are not constrained to unity, thus indicating that the traits are not perfectly correlated and that discriminant validity is achieved.

Table 7 presents the results of the assessment of discriminant validity in the proposed eight-item measurement model. These results provide evidence of discriminant validity in all four of the service industries investigated in the current research.

DISCUSSION

Results of the present study demonstrate strong support for a further reduced set of eight items from Zaichkowsky's (1994) scale modification. The proposed scale reduction appears to capture both affective and cognitive dimensions of involvement in a reliable and valid manner within service contexts. We now focus on research and managerial implications of employing the measure in service settings.

First, while the Zaichkowsky (1994) items examined in the present study performed well in the context of the services utilized, considering the nature of services relative to products (i.e., intangibility, inseparability, etc.), additional research of this nature is warranted across alternative services to more completely validate this measure. Further, as noted by Day, Stafford, and Camacho (1995), the Zaichkowsky (1994) measure is most appropriately classified as a measure of enduring involvement. As such, we must also echo the call of Day et al., (1995) for work in the development of measures which capture situational involvement particularly for the services domain.

These measurement issues notwithstanding, research incorporating the reduced Zaichkowsky measure examined in this study holds the potential for increasing our understanding of services marketing phenomena. As noted earlier, involvement has been implicated in prepurchase (e.g., the hierarchy of communication effects, attitude formation and change, information processing) and postpurchase (e.g., satisfaction, brand commitment) domains. An integration of the enduring involvement construct into these research areas applied to service settings would prove illuminating. For example, Oliver and Bearden (1983) found that involvement tended to raise evaluations prior to using an appetite suppressant and that these heightened expectations carried over to post-usage evaluations. In contrast

to the high involvement group, low involvement users did not tie their prior attitudes to expectations, but did use their prior attitudes to respond to disconfirmation and satisfaction measures. Clearly, incorporating level (high/low) of enduring involvement into service satisfaction research might offer similar insights into how prepurchase evaluations interact with postpurchase evaluations.

Additional research opportunities exist relative to the affective and cognitive dimensions of the reduced Zaichkowsky measure. Park and Young (1983) and Park and Mittal (1985) argue that empirical work related to the effects of involvement on consumer behavior have failed to consider cognitive and affective dimensions of involvement in addition to level (high/low) of involvement. They propose different motives, utilitarian and value-expressive, underlying cognitive and affective involvement, respectively. Park and Young (1983) relate the effects of cognitive and affective involvement to differential information processing and attitude formation. Under cognitive involvement an individual would be oriented more toward functional issues and would tend to engage in piece-meal, attribute/benefit-based (analytical) attitude formation. In contrast, under affective involvement, an individual would be oriented more toward emotions and self-image issues and would tend to engage in global, emotional/image exemplar matching (analogical) attitude formation. With the relatively reliable and valid measures of cognitive and affective involvement identified in the present study, service research can now begin to systematically explore the effects of these different motivational bases. Given the saliency of personal exchanges in service settings, affective involvement and associated processes would appear particularly relevant for exploration.

With respect to managerial implications, marketing scholars have indicated a need for service organizations to segment their markets as a means of developing more effective marketing strategies (Parasuraman, Zeithaml, & Berry, 1985; Cadotte, Woodruff, & Jenkins, 1987). With respect to profiling target segments, involvement research (Kapferer & Laurent, 1986; Longfellow & Celuch, 1993), suggests the potential utility of employing involvement measures in addition to the oft-utilized demographic variables. While demographics provide information about *who* your service customers are (i.e., in terms of age, education, occupation, income, etc.), they give no indication of *how involved* customers are with your service (i.e., the likely motivational state of individuals in terms of their receptivity to certain forms of information from particular sources). Thus, information regarding service involvement can substantially enrich profiles of customer segments used in subsequent strategy development.

Assael (1992) among others has noted the appropriateness of using different communication strategies for low and high involvement consumers. For low involvement customers, relatively simple messages emphasizing product/service name identification and one or two benefits combined with the use of repetition oriented broadcast media is recommended. Further, the use of sales promotions in concert with advertising efforts is suggested for low involvement customers.

In contrast, for high involvement customers the use of more complex messages with detailed information related to several benefits is advocated. The use of more information oriented print media is also recommended. In contrast to low involvement consumers, repetition of the message is not as important for high involvement consumers. Lastly, communication strategies may want to recognize the significance of personal influence to high involvement segments.

Further, the cognitive and affective involvement dimensions may also hold communication implications. Some customers may be more cognitively involved in a service while others may be more affectively involved. Cognitively involved individuals may be more receptive to communications focusing on specific attribute/benefit information. In contrast, affectively involved individuals may be more receptive to communications emphasizing feeling states and/or self-image orientations.

Given findings that high involvement customers have been found to hold more favorable evaluations of product performance (Oliver & Bearden 1983) as well as evidence more attachment toward and loyalty to the service provider (Longfellow & Celuch 1993), it may be strategically beneficial to attempt to increase

Appendix A
Zaichkowsky's (1985) Full Twenty-Item PII

important	___:	___:	___:	___:	___:	___:	___:	***unimportant***
of no concern	___:	___:	___:	___:	___:	___:	___:	of concern to me
irrelevant	___:	___:	___:	___:	___:	___:	___:	***relevant***
means a lot to me	___:	___:	___:	___:	___:	___:	___:	***means nothing to me***
useless	___:	___:	___:	___:	___:	___:	___:	useful
valuable	___:	___:	___:	___:	___:	___:	___:	***worthless***
trivial	___:	___:	___:	___:	___:	___:	___:	fundamental
beneficial	___:	___:	___:	___:	___:	___:	___:	not beneficial
matters to me	___:	___:	___:	___:	___:	___:	___:	doesn't matter
uninterested	___:	___:	___:	___:	___:	___:	___:	interested
significant	___:	___:	___:	___:	___:	___:	___:	insignificant
vital	___:	___:	___:	___:	___:	___:	___:	superfluous
boring	___:	___:	___:	___:	___:	___:	___:	*interesting*
unexciting	___:	___:	___:	___:	___:	___:	___:	***exciting***
appealing	___:	___:	___:	___:	___:	___:	___:	***unappealing***
mundane	___:	___:	___:	___:	___:	___:	___:	***fascinating***
essential	___:	___:	___:	___:	___:	___:	___:	nonessential
undesirable	___:	___:	___:	___:	___:	___:	___:	desirable
wanted	___:	___:	___:	___:	___:	___:	___:	unwanted
not needed	___:	___:	___:	___:	___:	___:	___:	***needed***

Items that are bold/italicized include the set of items ultimately recommended as providing the most reliable and valid measurement scale. The italicized item that is not bolded (i.e., interesting) is the additional item recommended by Zaichkowsky (1994) and Stafford and Day (1995) for inclusion in the reduced scale.

service customers' involvement rather than accepting the fact that low involvement customers do not perceive the service to be important/ relevant. Approaches for increasing consumer involvement advocated by Assael (1992) include: linking the product/service to an important issue or situation; developing more involving communications by expressing salient customer values; and/or attempting to increase the importance consumers perceive in one or more product/service benefits.

In conclusion, the concept of involvement applied to services appears to warrant the attention of marketing researchers. At least in terms of enduring service involvement, we concur with Zaichkowsky (1990) who noted that another, "better" measure of involvement is not needed, what is needed are investigations of "... the different relationships between products, involvement, and people." (p.616) Involvement research holds the potential for increasing our understanding of consumer-service relationships as well as offering insights to service marketing practitioners.

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SERVICE EVALUATION AND SWITCHING BEHAVIOR FOR EXPERIENTIAL SERVICES: AN EMPIRICAL TEST OF GENDER DIFFERENCES WITHIN A BROADER CONCEPTUAL FRAMEWORK

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ABSTRACT

The service evaluation literature has focused mainly on service *process* and only recently started to explore the role of service *outcome*. Another critical issue for both researchers and service providers is the influence of *intrinsic* (i.e., process and outcome) versus *extrinsic* factors on switching behavior. A comprehensive framework is proposed to examine the relative importance of *process*, *outcome*, and *extrinsic* factors for both service evaluation and switching behavior for different groups of customers. As an empirical test of this framework, qualitative research as well as a quantitative study are conducted for a hair salon context, where a service experience offers a rich variety of process and outcome factors as well as some critical extrinsic factors. Gender is used to differentiate groups of customers within this framework, and actionable gender differences for practitioners are found both in service evaluation and reasons for switching. The proposed framework and the findings of the study provide insights and implications for future research on service evaluation and switching behavior in general, beyond experiential services. (169 words)

INTRODUCTION

Much has been written on service evaluation and there is general agreement that it is a critical issue for both service providers and researchers. To date, the service evaluation literature has been somewhat equated to service quality (cf. Parasuraman, Zeithaml, and Berry 1988) and has focussed mainly on service *process*, especially for experiential services. Only recently have researchers begun to explore the role of service *outcome* in service evaluation (Johnson, Zinkan, and Ayala 1998; Powpaka 1996). It is clear from observation as well as from this recent research that service evaluation is linked to both outcome and process. Hence, an obvious and important issue is to determine the *relative* importance of outcome and process in service evaluation.

Another critical issue related to service evaluation is what influences switching behavior. The literature suggests that even satisfied customers often switch providers (Reicheld and Sasser 1990). The key is to determine factors that influence whether or not a customer will stay with a service provider or switch to a competitor. For example, Keaveney (1995) found eight possible switching factors ranging from core service failures to price, and six of these factors were controllable by the provider. The intriguing parallel question to the service evaluation issue is the relative importance of service process and service outcome on *switching behavior*.

A third issue relates to the relative influence of extrinsic factors. Mazursky, LaBarbera, and Aiello (1987) write that switching may be influenced by intrinsic or extrinsic factors. Clearly, both outcome and process are intrinsic factors, so, for a fuller investigation of both service evaluation and switching, extrinsic factors need to be included in the framework. By including tangibles in service evaluation, Parasuraman, Zeithaml, and Berry (1988) have also made a concession to the influence of extrinsic factors. However, no study has explored all *three* sets of factors, process, outcome, and extrinsic, nor examined their relative importance for *both* service evaluation and switching behavior. This paper sets forth a comprehensive framework to do so and is applicable to any experiential service (see Figure 1).

Using the framework in Figure 1, researchers can identify factors that are critical to *all* customers, so that marketers can ensure that their service performs well on these factors. At the same time, factors that are evaluated differently by different groups of customers allow marketers to develop specific targeting strategies. Thus, it is suggested that the relative importance of the three factors within the comprehensive framework can be investigated for different groups of consumers based on their involvement with the service (see

Figure 1
A Comprehensive Conceptual Framework for Service Evaluation and Switching Behavior

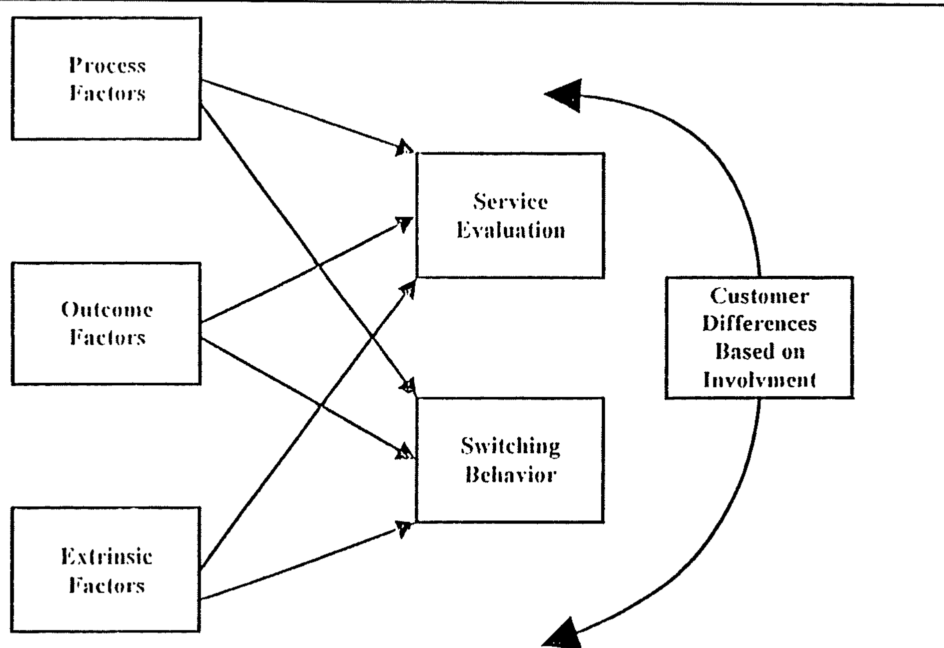

Figure 1). The literature suggests that customers' evaluation of services will differ based on their involvement (Day, Stafford, and Camacho 1995; Ostrom and Iacobucci 1995). Similarly, customer involvement is likely to result in differences in switching motivation. Investigating similarities and differences in factors leading to service evaluation and switching for different groups of customers based on their involvement with the service, is likely to yield actionable implications for practitioners.

An empirical study involving both qualitative and quantitative research is conducted within this framework. The context selected to investigate the issues within the framework is a hair salon, an experiential service that offers a rich variety of process and outcome factors and some critical extrinsic factors. Gender is used as a surrogate for involvement in this specific context, based on preliminary research. A literature review is conducted to outline possible factors for this context, followed by in-depth qualitative research to further develop the list of relevant *process*, *outcome*, and *extrinsic* factors. Finally, a quantitative study is conducted, first to confirm these factors, and then to examine their relative roles in service evaluation and switching behavior for the two groups of customers of hair salons.

CONCEPTUAL BACKGROUND

Service process factors have received more attention than outcome or extrinsic factors in the services literature. The services quality literature identifies reliability, responsiveness, assurance, empathy, and tangibles (Parasuraman, Zeithaml, and Berry 1988) as important aspects of service quality. Of these aspects, reliability, responsiveness, assurance, and empathy are all clearly process factors that a customer would encounter during interaction with the service provider, whereas tangibles would be an extrinsic factor for the service. Historically, service outcome factors have not been included as determinants of service evaluation in the service quality literature.

The service provider's reliability refers to how consistently s/he performs the service (Parasuraman, Zeithaml, and Berry 1988). Powpaka (1996) studied service process factors along with outcome and found that reliability was not a critical factor for service evaluation for dry cleaning and legal services. However, in a study across a variety of service contexts, Johnson,

Zinkan, and Ayala (1998) found that a related and critical factor is the service provider's competency, i.e., the skill or expertise of the provider. In the hair salon context, reliability may be viewed in terms of how well and how consistently the stylist provides the customer with a good haircut, and it may be closely associated with the competence of the stylist in the consumer's mind.

Responsiveness is a critical aspect of any experiential service because it is at the heart of understanding customer needs and responding to them (Parasuraman, Zeithaml, and Berry 1988). The responsiveness notion may be taken a step further in the context under investigation because customers in a hair salon often expect the stylist to take care of them both verbally and physically. Assurance and empathy, the two remaining process factors from the service quality literature (Parasuraman, Zeithaml, and Berry 1988), would both be highly relevant in a context with much dependence on the point-of-contact person. Assurance refers to how comfortable and safe the customer feels with the service provider. For such a personal service as a haircut, the feeling of assurance is likely to be very important. Empathy on the other hand may be more important to some customers than to others. Empathy refers to a deeper understanding and feeling for the customer on the part of the service provider and this is obviously critical to some customers but not necessarily to everyone. Powpaka (1996) found that all three factors, responsiveness, assurance, and empathy, to be critical for service evaluation.

Outcome factors related to service evaluation have received relatively less attention. Yet, in Powpaka's (1996) study, outcome of the service is an important determinant of service evaluation and explains more variance than process factors alone. Other researchers have examined both service outcome and emotion after the service encounter and found that service outcome influences the emotional response of the customer and both affect future customer behavior (Johnson and Zinkan 1991; Johnson, Zinkan, and Ayala 1998). In a broader sense, both the actual service outcome and the feelings associated with this outcome can be viewed as outcome factors, in contrast to process factors. For the haircutting experience, possible outcome factors would include the appearance of the haircut, how the customer feels after the haircut, and his/her self-confidence.

With regard to appearance, Richins (1991) found that young females compare their attractiveness with that of models in ads targeted toward them and that exposure to advertising containing idealized images of physical attractiveness, will, at least temporarily, lower female viewers' satisfaction with their own physical attractiveness. One solution to this state might be to take steps to enhance physical appearance, and a fairly easy way to do so is to get a haircut. In this case, the clear service outcome that these customers are looking for in getting a haircut is improved appearance and/or attractiveness.

Another outcome factor of relevance is how the customer feels after the haircut. Swinyard (1993) found that the quality of the shopping experience has a significant effect on the customer's mood; compared to people who have had a bad shopping experience, those who have a good experience will be in a more positive mood. This has direct application to getting a haircut. If customers have a good experience with the stylist, they are more likely to be in a good mood. Further, getting a haircut is not simply a typical service situation. Getting a haircut for some people could be considered hedonic consumption because it includes multi-sensory experiences and may include fantasy imagery (cf. Hirschman and Holbrook 1982). Hirschman and Holbrook write that emotional responses are considered to be a major motivator for the consumption of certain goods and services, and that hedonic consumption is mainly engaged in for the feelings it creates in the consumer. It is certainly conceivable that many customers specifically seek "feeling good" as an outcome when they go to get a haircut.

Self-confidence may be a third outcome factor for this context. The literature suggests a close link between self-image (tied to appearance) and self-confidence. Thompson and Hirschman (1995) write that self-image is closely tied to body image and that self-conceptions of poor body image can lead to low self-esteem or confidence. These ideas have direct relevance to the haircutting experience. A poor haircut directly impacts a person's appearance and self-perceptions of a poor haircut can lead to a lack of self-confidence. At the same time, a good haircut has the potential to increase

self-confidence. Thompson and Haytko (1997) discuss how being fashionable can influence self-identity and social-identity. Schouten (1991) found that customers use plastic surgery to change their appearance, and in turn, change their self-concept. The customers in his study had increased positive feelings of self-evaluation and felt that their appearance had improved. In addition, these changes brought about increased confidence in their work and social environments. Similarly, by wearing a trendy hairstyle, people are able to create a "look" for themselves and establish their self-identity (and/or social identity). In the process, they change not just their appearance but also their level of self-confidence in a variety of settings.

Mazursky, LaBarbera, and Aiello (1987) suggest that when extrinsic factors are able to induce switching, customers may switch despite a high service evaluation. In other words, even if customers view the process and outcome well, if they are motivated by extrinsic factors, the effort spent on ensuring a high quality of process and/or outcome may be somewhat futile. This possibility makes the examination of extrinsic factors an important issue. Typical extrinsic factors for any service experience would be the physical environment and costs (both monetary and non-monetary) associated with obtaining the service. These extrinsic factors would certainly apply to the haircutting experience.

Having reviewed the literature for intrinsic factors related to service process and service outcome, as well as extrinsic factors that can affect evaluation or cause switching, a search is conducted for relevant studies on gender differences. For example, in a study on emotion related to hospital stays, Dube and Morgan (1996) found that men's evaluations were more likely to take positive trend effects into consideration and women's evaluations were more likely to take negative trend effects into consideration. In a study on service provider gender using fast food restaurants, haircutting salons, and dental offices, Fischer, Gainer, and Bristor (1997) looked for gender effects in customer evaluations of service provided by men versus women but did not find consistent patterns; both male and female customers thought that the gender of the provider did not influence the service provided. Finally, in a study of automobile ownership, Moutinho and Goode (1995) found that self-image had a greater role in overall satisfaction for men than for women, and that men had a greater need to impress others than did women. However, the findings may be differ across contexts. For example, self-image and the need to impress others may be more important to women in a haircutting context.

METHODOLOGY

Qualitative Pilot Study

Students in three classes were informally interviewed in group settings about what was important to them in getting a haircut. The men (about 15 in all were vocal about the issue) appeared to be surprised that the haircutting experience was important (suggesting low involvement). Further, they mentioned (across the board) that what was important to them was a low price and a convenient location. Women on the other hand (about 20 in all voiced their thoughts) appeared to be much more involved with the haircutting experience. They mentioned the importance of a good haircut, being pampered by the stylist, and feeling good after a haircut. In addition, women in general seemed willing and eager to talk about getting their hair cut and to share experiences. Noting these differences, we decided to conduct in-depth interviews with women to determine the full range of what they considered to be important factors for the haircutting experience.

Qualitative exploratory interviews were conducted with twenty female respondents, ranging in age from twenty to fifty, and representing students, housewives, and secretaries. Respondents were also selected on the basis of hair length (short, medium, or long) to facilitate a well-rounded sample. At the beginning of each interview a few minutes were used to make the respondents feel comfortable and at ease with the interviewer. A friendly demeanor and assurance of confidentiality encouraged respondents to answer questions openly and freely.

A questionnaire was used in the pilot study to ensure that a variety of haircutting experiences were captured in each interview. Open-ended

questions were used to allow an in-depth exploration of haircutting experiences and revealed what was important to respondents in evaluating these experiences. Respondents were asked to: 1) Describe a good experience with your hair stylist 2) Describe a bad experience with your hair stylist 3) What makes you stay with your hairstylist? 4) What would make you change to another stylist 5) How do you know when you have a "really great" haircut? 6) How does your hair affect the way you feel about yourself? The order of the questions (or statements) was randomly selected for each respondent to reduce order effects.

During the discussion, a few planned probes were introduced, as needed, to have respondents recall incidents that revealed other factors that were important to them. Probes such as, "Was this a typical visit to the stylist?" or "Why was this important to you?" are examples. All responses were noted in written format and categorized following the completion of the interview. A typical interview lasted between 30-45 minutes.

A major purpose of the pilot study was to help establish the domain of the research. By using emergent theme analysis we were able to group the responses into several categories. Respondents talked about the stylist being able to cut hair well and quickly. We termed these factors competence of stylist and speed of service, and recognized that they could be related to each other and might tie in with the reliability factor from the literature. Interviewees also talked about responsiveness of the stylist and their responses could be grouped along three themes: verbal responsiveness, physical responsiveness, and pampering. Responsiveness is a dominant theme in the services literature, and the pampering may reflect the nature of the haircutting experience where customers indulge themselves and seek a hedonic experience. Other themes that emerged could best be labeled comfort with the stylist and rapport (see Gremler and Gwinner 1998) with the stylist. The former is close to the assurance factor in the literature and the latter is analogous to empathy. A theme somewhat tied to rapport was a long-term relationship with the stylist. Unlike the other themes which captured service process, this theme is not part of the service process, yet it is closely linked with rapport, a process factor. The respondents made it clear that a long-term relationship was not an expected outcome of their interaction with the stylist, but rather an antecedent to their evaluation of the service.

In terms of service outcome, respondents spoke in great detail about how they looked after a haircut and how this affected their confidence and their interactions with others. We grouped these responses into themes that were labeled appearance, self-confidence, and focus of attention. The former two had been anticipated from the literature; the last factor seemed to be tied to self image and could have some overlap with self-confidence. The other outcome theme was clearly related to feelings as anticipated. Respondents talked about feeling good, bad, happy, unhappy, angry, and so on, after getting a haircut. It appeared that haircutting experiences were almost always associated with feelings, either good or bad.

Lastly, the only extrinsic themes that emerged were salon-related (atmosphere, cleanliness, and location) and price-related (price going up or price related to competition). Interestingly, only a few women mentioned thoughts that led to these themes as compared to responses by men in our early informal interviews. Males had consistently mentioned only the location of the salon (convenience) and price as important factors.

Item Generation and Data Collection

Following the pilot study, items were developed for each theme or construct that respondents had indicated was important to the haircutting experience. The wording of the items was taken from the thoughts expressed in the pilot study in relation to specific themes. The full list of the sixty-two items associated with the constructs is shown in Tables 1A through 1F. In addition, fifteen items were developed to capture switching behavior. The respondents were specifically asked what would cause them to switch to a different stylist. The themes that emerged were listed (e.g., no longer comfortable with stylist, stylist or I relocated to another town) and specific items were developed (one for each theme) to measure whether switching behavior was indeed related to these themes. Finally, three trade-off items were

Table 1A
Factor Analysis: Competency and Speed

Item	Competence	Speed
The competency level of my stylist is very important to me	.845	
I want my stylist to be efficient	.816	
I want a stylist who can create different "looks" if asked	.694	
I like my stylist to be fast		.921
It is important to me that my stylist works quickly		.905
Model fit: P2 = 28.69, df = 4, std. RMR = 0.07, NFI = 0.94, CFI = 0.94		

Table 1B
Factor Analysis: Long Term Relationship and Rapport

Item	Long Term Relationship	Rapport
I want my stylist to keep a journal on my hair	.811	
I want my stylist to be familiar with and "know" my hair	.649	
It is important to me that my stylist continues to give me the same amount of attention as when I first started with him/her	.566	
I want a long-term relationship with my stylist	.523	
I want my stylist to be friendly		.829
It is important that I like my stylist as a person		.732
I need a stylist who cares about me		.664
It is important to me that my stylist knows my name and remembers me		.643
I want a personal rapport with my stylist		.575
Model fit: P2 = 99.74, df = 26, std. RMR = 0.05, NFI = 0.91, CFI = 0.93		

developed to capture the relative importance of price versus feelings, appearance (good haircut) versus responsiveness, and long-term relationship versus competence. The idea was to explore the relative importance of the various factors in a somewhat different way as a means for verification. Seven-point Likert scales were used to measure responses on all the items.

The full 80-item questionnaire was administered in undergraduate classes at a major U.S. university. It was decided to use a student sample in order to obtain a sufficiently large sample to test all the constructs. Moreover, we needed a large sample with roughly equal numbers of men and women, which would be an arduous task to collect at hair salons.

The respondents were not asked to rate their stylist or salon. They were simply asked what was important to them in getting a haircut and then requested to fill out the questionnaire. It was mentioned that there were no right or wrong answers and that the researchers were interested in the respondents' honest answers. The study yielded a total of 328 completed questionnaires, of which about half (165) were females.

Factor Analysis

Exploratory factor analysis conducted on all the items together failed to yield meaningful factors as is often the case with a large number of constructs. However, exploratory factor analysis conducted on groups of items where constructs were expected to be related yielded clear and meaningful factors (see items and factor loadings in Tables 1A-F). This was reassuring as items for similar constructs often tend to load on one factor in exploratory factor analysis. The factors matched the themes developed through the qualitative interviews. In fact, items related to

Table 1C
Factor Analysis: Verbally and Physically Responsive, and Pampering

Item	Verbally Responsive	Physically Responsive	Pampering
It is important to me that my stylist does what I ask	.786		
I want my stylist to listen to me	.768		
I need a stylist with whom I have good communication	.695		
I like my stylist to ask questions about my hair needs	.595		
I like it when my stylist massages my scalp		.879	
I like it when my stylist washes my hair		.863	
It is important to me that my stylist informs me about hair trends			.812
I like my stylist to pamper me			.752
I like it when my stylist brings me something to read			.609
I like it when my stylist brings me something to drink			.403
Model fit: P2 = 106.74, df = 24, std. RMR = 0.06, NFI = 0.90, CFI = 0.90			

Table 1D
Factor Analysis: Appearance, Self-Confidence, Focus of Attention

Item	Appearance	Self-Confidence	Focus of Attention
I want a haircut that suits my looks	.771		
I want a haircut that is fashionable	.714		
I want a haircut that looks good	.686		
I want to be able to make my hair look like the stylist makes it look	.669		
It is important to me that my hair is easy to fix	.509		
I would be reluctant to go out in public if I had a bad haircut		.703	
I think people judge me by my hair		.665	
If I have a bad haircut it ruins the way I look		.637	
A good hairstyle improves my performance in daily activities		.568	
My hairstyle affects my self-confidence		dropped	
I feel more secure when I have a good hairstyle		dropped	
I like to be noticed if I have a good haircut			.811
I like the attention a good hairstyle brings			.787
I think my hairstyle says something about my personality			.689
I want people to ask me who my stylist is			.611
If I have a good haircut I look much more attractive			.589
My hairstyle shows how fashionable I am			.570
Model fit: P2 = 218.27, df = 62, std. RMR =0.06, NFI = 0.88, CFI = 0.89			

competence and speed emerged as separate factors although we had expected that they might load on one factor. Similarly, items related to outcome feelings separated into positive and ambivalent feelings as had been expressed in the qualitative interviews, and also were seen to be different from

Table 1E
Factor Analysis: Feelings and Comfort

Item	Positive Feelings	Ambivalent Feelings	Comfort
My hairstyle can make me feel good	.770		
When I get my hair styled it makes me happy	.590		
Having a great hairstyle is fun	.588		
Comments from friends about my hair affect the way I feel about myself		.619	
My hairstyle makes me feel attractive to the opposite sex		.608	
My hairstyle can make me feel unhappy		.605	
My hairstyle affects my mood		.550	
I get angry when I can't get my hair right		.529	
It bothers me when my stylist talks to others when working on my hair		.417	
I want to feel safe with my stylist			.832
I need to feel relaxed with my stylist			.658
It is important for me to feel in control when I am getting my hair cut			.390
I am apprehensive about trying a different stylist			dropped
Model fit: P2 = 118.87, df = 51, std. RMR =0.06, NFI = 0.93, CFI = 0.95			

Table 1F
Factor Analysis: Salon and Cost

Item	Salon	Cost
The cleanliness of the salon is important to me	.849	
The atmosphere of the salon is important to me	.800	
A convenient location for the salon is important to me		.680
I would switch my stylist if the price of the haircut went up		.763
The cost of the haircut is important to me		.761
I would not switch my stylist even if s/he charged a higher price than the competition		.748
Model fit: P2 = 39.71, df = 8, std. RMR = 0.07, NFI = 0.90, CFI = 0.91		

the comfort felt during the process. The only difference was that items related to salon atmosphere and cleanliness loaded on a single factor (labeled salon) and items related to cost and salon location also loaded on a single factor (labeled cost, as in monetary and non-monetary costs).

To further verify these factors, confirmatory factor analysis (CFA) using LISREL8 (Joreskog and Sorbom 1993) was conducted for each set, and the findings fully supported the factors in the exploratory factor analysis. The model fits for the CFA are also shown in Tables 1A-F and all are acceptable or close to acceptable. It should be noted that items that loaded on two factors in the exploratory analysis were dropped for the CFA (see Tables). Also, when items with factor loadings lower than 0.55 were dropped, the model fits improve greatly. These results are not provided for space considerations, as it is more informative to show *all* the items used in the study. Further, the fact that the model fits are good with *all* the items included provides a more rigorous test of the factor structure. For future

reference in using the scales, the constructs should be measured using items with loadings greater than 0.55 for better results.

T-Tests for Gender Differences

T-tests were conducted for the means of the fifteen factors by gender (see Table 2). The results indicate that speed and cost of service were more important to men and the rest of the factors were more important to women. Means for speed were 4.77 (for men) and 3.83 (for women), with $t=5.79$, $p<.0001$. Means for cost were 4.67 (for men) and 4.19 (for women), with $t=3.48$, $p<.001$. The means, t-values, and probabilities for the rest of the factors are shown in Table 2. All the t-tests were statistically significant.

The means were also examined to create rankings by gender, based on the mean values of the factors (see Table 2). An examination of the rankings showed that competence was ranked the highest by both men and women and that competence, verbal responsiveness, and appearance represented "the top three" category for both men and women. Comfort was fairly high for both groups, as were positive feelings. Rapport was more important than long-term relationship, and salon was moderately important for both groups. Ambivalent feelings, self-confidence and focus of attention were not that important to either group.

Comparing the rest of the rankings, differences in gender were assumed if ranking was different by gender by a score difference of 3 or more. Although not a statistical test, it gave us a method to further explore gender differences in evaluation. Six categories fit this rule. Speed was ranked 5th by men and 15th (lowest) by women, a huge difference of ten points. Similarly, cost was ranked 6th by men and 13th by women, a clear difference with seven points. These results support our t-tests as well as the qualitative analysis where men mentioned speed and cost (monetary as well as physical effort) as their criteria for evaluation.

Two other categories in Table 2 showed strong gender differences. Physical responsiveness was ranked 4th by women and 9th by men, a difference of five points, and pampering was ranked 11th by women and 15th (lowest) by men, a difference of four points. Finally, two categories had gender differences of three points between rankings. Rapport was ranked 8th by women and 11th by men, and ambivalent feelings were ranked 9th by women and 12th by men. Again, these results support our t-tests and qualitative research, where all the factors other than speed and cost were more important to women.

However, the ranking test singles out physical responsiveness and pampering as factors much more important to women than to men, rapport and ambivalent feelings as somewhat more important to women than to men, and the rest of the factors as being somewhat similar to both groups. The factors that don't have much variance as per the ranking test include the top three factors (competence, verbal responsiveness, and appearance) as well as the bottom three factors (long-term relationship, self-confidence, and focus of attention). Thus, the ranking test adds to the findings of the t-tests that simply support gender differences for all the factors.

Next, t-tests were conducted to examine the switching factors identified in the pilot study and to determine gender differences for these (see Table 3). High mean values for three factors showed that both men and women identified a drop in competence of the stylist, a discontinuation of responsiveness from the stylist, and a lack of comfort with the stylist as strong reasons for switching. Low mean values for two factors showed that both men and women did not think that wanting a different hairstyle or the fact that they stopped getting compliments on their haircuts would be reasons for switching.

At the same time, there were some gender differences. The results indicate that men are more likely to switch stylists if they have to pay a higher price than the competition, if they have to wait frequently, if they moved across town, if the stylist or they relocated, or if their hair was difficult to fix. The first factor is not a surprise; it confirms earlier results that the price of haircuts is more important to men than to women. The next three, waiting frequently, moving across town, and relocating capture inconvenience and this finding confirms earlier results that men value convenience more than do women. We had expected that "hair is difficult to fix" would be related to appearance and would be more

Table 2
Gender Differences in Importance of Factors Related to Haircutting Experience

Factor	Ranking F	Ranking M	Gender	Sample Size	Mean	T-Value	Significance
Competence	1	1	Male Female	163 165	5.34 6.18	7.06	.0001
Speed	15	5	Male Female	162 165	4.77 3.83	5.79	.0001
Verbal Responsiveness	2	3	Male Female	157 163	5.14 6.04	7.73	.0001
Physical Responsiveness	4	9	Male Female	163 164	4.38 5.80	7.82	.0001
Pampering	11	15	Male Female	162 164	3.27 4.39	7.78	.0001
Appearance	3	2	Male Female	160 155	5.32 5.91	5.47	.0001
Positive Feelings	5	7	Male Female	162 163	4.59 5.74	8.74	.0001
Ambivalent Feelings	9	12	Male Female	161 162	3.76 4.31	4.15	.0001
Comfort	6	4	Male Female	162 164	4.89 5.65	6.09	.0001
Rapport	8	11	Male Female	159 154	4.38 5.24	6.93	.0001
Long Term Relationship	12	14	Male Female	160 164	3.45 4.28	6.04	.0001
Self-Confidence	14	13	Male Female	160 165	3.59 3.99	3.12	.002
Focus of attention	10	10	Male Female	160 162	4.09 4.88	5.97	.0001
Salon	7	8	Male Female	162 165	4.58 5.55	7.69	.0001
Cost	13	6	Male Female	158 165	4.67 4.19	3.48	.001

important to women. However, "difficult to fix" appears to be yet another convenience factor related to physical effort and understandably is more important to men.

Women were more likely to switch stylists if they had one bad haircut, if they were no longer comfortable with the stylist, if the stylist stopped being responsive to them, and if the stylist no longer pampered them. The emphasis on responsiveness and comfort is shared by men, but is stronger for women, as in the t-tests for evaluation. Women's preference for pampering ties in with the earlier qualitative study as well as the t-tests and rankings. The importance of just one bad haircut captures a number of themes. It ties into women's concern with competence,

Table 3
Gender Differences in Reasons for Switching Hair Stylist

FACTOR	GENDER	SAMPLE SIZE	MEAN	T-VALUE	SIGNIFICANCE
One bad cut	Male Female	162 165	3.76 4.09	1.79	.07
No longer comfortable	Male Female	161 164	4.83 5.39	3.16	.002
Drop in competency	Male Female	163 165	5.01 5.16	0.85	N.S.
Stylist moved to different salon	Male Female	162 165	3.51 3.35	0.78	N.S.
I wanted different hairstyle	Male Female	162 165	2.75 2.48	1.65	N.S.
No longer felt good	Male Female	162 164	3.77 3.99	1.18	N.S.
Hair difficult to fix	Male Female	163 165	4.11 3.71	2.30	.02
I moved across town	Male Female	162 165	4.56 3.89	3.17	.002
Stylist or I relocated	Male Female	162 165	3.96 3.45	2.67	.008
Stopped getting compliments	Male Female	162 164	2.70 2.70	0.02	N.S.
No longer friends	Male Female	161 164	3.84 4.06	1.06	N.S.
No longer pampered	Male Female	162 165	2.99 3.39	2.36	.02
Stopped being responsive	Male Female	162 165	5.12 5.59	2.59	.01
Have to wait frequently	Male Female	163 165	4.66 4.23	2.23	.03
Higher price than competition	Male Female	161 165	4.48 3.42	5.11	.0001

appearance, self-confidence, and focus of attention. Earlier results based on t-tests had shown that all of these factors are more important to women than to men.

Lastly, t-tests were conducted on the three trade-off statements (see Table 4). Results showed that women were more willing to pay a higher price if they felt good ($t=3.35$, $p<.001$) and that men were more likely to accept a less than perfect haircut if the stylist was attentive ($t=3.76$, $p<.0001$). Both results are strong verifications of earlier results. Women are not as concerned about price and value as they are about feeling good, whereas men are very concerned about price. Women are very concerned about getting a perfect haircut; men are more willing to accept a less than perfect haircut if the stylist is attentive. Finally, both men and women seemed to think that a long-

Table 4
Gender Differences in Trade-offs Among Factors

TRADE-OFF	GENDER	SAMPLE SIZE	MEAN	T-VALUE	SIGNIFICANCE
Higher price okay if I feel good	Male Female	161 164	4.22 4.85	3.35	.001
Less than perfect haircut okay if stylist is attentive	Male Female	161 164	3.50 2.90	3.76	.0001
Long-term relationship not necessary if stylist is competent	Male Female	161 164	4.83 4.79	0.18	N.S.

term relationship with the stylist was not important if the stylist was competent. This finding also supports earlier results (see Table 2). Competence was ranked number one by both men and women whereas having a long-term relationship with the stylist was low priority for both groups with rankings of 11 (for women) and 13 (for men).

DISCUSSION

Contribution Based on Proposed Framework

A broad framework is proposed to simultaneously determine the effect of process, outcome, and extrinsic factors on service evaluation as well as switching behavior (see Figure 1). Past service evaluation studies (e.g., Parasuraman, Zeithaml, and Berry 1988) have focused mainly on process factors. Recent studies on service evaluation (Johnson, Zinkan, and Ayala 1998; Powpaka 1996) have included outcome factors in addition to process factors. Other researchers (Mazursky, LaBarbera, and Aiello 1987) have suggested that the effect of extrinsic factors on switching behavior needs to be considered. However, no study has explicitly incorporated all three sets of factors, *process*, *outcome*, and *extrinsic*, in one framework, and further, no study has examined the effects of these factors on both *service evaluation* and *switching behavior*. The proposed framework is applicable to any experiential service and provides a comprehensive basis for investigating the factors underlying customers' evaluation of services and why they switch to competitors.

The framework also incorporates differences in service evaluation and switching motivation for different customer groups based on their level of involvement with the service. Whereas it is important to know which factors are important to *all* customers, identification of factors important to different groups allows for better segmentation strategies. Depending on the context, customer involvement may be related to demographic, psychographic, or cultural factors, or even personality traits. Customer involvement with the service may be represented with appropriate surrogates for the context drawn from this set, or may be directly measured using involvement scales (Day, Stafford, and Camacho 1995; Zaichkowsky 1985). Irrespective of whether involvement is directly measured or represented by a surrogate factor, the framework allows an investigation of differences among groups of customers that have relevance for marketers.

The proposed framework was tested for a specific context (a hair salon). The results indicate the type of findings that can be obtained using this framework. First, the framework allowed us to determine which factors were important for service evaluation and identified gender similarities in evaluation. Competence, verbal responsiveness, and appearance were the most important factors to both men and women in a haircutting context. The first two are process factors and the third is an outcome factor showing that customers use a combination of process and outcome factors to determine top criteria for the evaluation of services. In further support of this finding, comfort (a process factor) was fairly high for both groups, as were positive feelings (an outcome factor). Finally, salon (an extrinsic factor) was

moderately important to both groups. Thus, using the framework helped identify a variety of process, outcome, and extrinsic factors relevant to *all* customers. Clearly, the implication to marketers is the need to focus on these factors for high service evaluation across the board.

The framework also allowed us to examine customer differences in service evaluation based on gender. (Gender was used as a surrogate for involvement with the haircutting experience, based on our qualitative study.) Speed (a process factor) and cost (an extrinsic factor) were more important to men for evaluation whereas physical responsiveness and pampering (both process factors) were more important to women. It is possible that women tend to focus more on process factors to the exclusion of extrinsic factors, whereas men may focus equally on process and extrinsic factors. Future research should investigate the relative importance of process, outcome, and extrinsic factors for service evaluation in a variety of service contexts as well as for different customer groups based on their involvement.

In her study on switching, Keaveney (1995) listed several factors as customers' reasons for switching services. For simple incidents, core service failure accounted for 24.6 percent of reasons for switching, failed service encounters accounted for 19.1 percent, and price and inconvenience together accounted for 29.9 percent. Applying our framework to Keaveney's study, we see that failed service encounters are related to service process, core service failures are related to service outcome, and price and inconvenience represent extrinsic factors. The fact that these categories together accounted for three-fourths of all reasons for switching in Keaveney's study is further rationale for applying our broad framework to capture relevant factors for switching (and to see how they differ from the factors important for evaluation).

As in the case of evaluation, our framework showed us which factors were important for switching and identified gender similarities. A drop in competence, responsiveness, or comfort (all process factors) were the most important reasons cited by both groups in terms of switching stylists. The first two factors were also in the most important category for service evaluation. Comfort, however, had only been moderately important for service evaluation. Further, although two respondents in the qualitative study had mentioned that they would switch stylists if they wanted a new hairstyle or if they stopped getting compliments, the quantitative study showed that these factors were low on the priority list for both groups as criteria for switching.

The framework also allowed us to examine customer differences in switching based on gender. We found that price and convenience (both extrinsic factors) are more important to men than to women for switching stylists. Thus, even for switching (and not just for evaluation), extrinsic factors seem more important to men than to women. This finding supports Mazursky et al.'s (1987) observation that when consumers are motivated by extrinsic factors, they may switch providers despite high levels of process and outcome. Price was important to men both for switching and evaluation of the stylist, but "convenience" emerged only for switching. This factor included all types of inconveniences such as waiting frequently, moving across town, relocating, and finding that their hair was difficult to fix. Of these, only the first inconvenience (waiting frequently) is associated with time, as is speed (a process factor) that men did consider important for service evaluation.

Responsiveness, pampering, and comfort (all process factors) and "just one bad haircut" (an outcome factor) were more important to women than to men as reasons to switch stylists. The responsiveness and pampering factors were also more important for women's evaluation of the stylist than men's, but comfort and "one bad haircut" emerged as a gender difference only for switching. This finding leads to the interesting conclusion that whereas women use process factors for evaluation, they use at least one major outcome factor for switching stylists. So no matter how responsive the stylist is and how much the female customer is pampered, she may switch stylists given just one bad haircut.

Specific implications of this study for practitioners are to ensure that the stylists they hire are competent and verbally responsive above all else. Both men and women thought these were critical factors. The finding that both male and female customers value outcomes such as

appearance and positive feelings further implies that stylists should not let customers leave the salon until they sense that the customers are pleased with their appearance. In addition, salons can target men by promoting their speed, cost, and convenience and keep them as customers by continuing to provide these benefits. Women can be targeted and retained as customers with responsiveness and pampering by stylists as well as by building rapport and providing comfort. At the same time, salons and stylists should be aware that even one bad haircut can be a reason for women to switch service providers.

Contribution Based on Research Methods

Another contribution of our study is the convergence of research methods. The critical results on the importance of factors for evaluation and switching and the gender differences were supported through a number of research approaches and tests. For the most part, our predictions based on the qualitative research matched our results from the quantitative study. The qualitative study suggested that men value the speed, cost, and convenience associated with a haircut more than do women. Men's emphasis on extrinsic factors was borne out in quantitative tests on gender differences for evaluation as well as for switching. Our qualitative study suggested that women value *all* other factors more than do men and our t-tests for evaluation bore this out as well. T-tests showed that women value *process* factors such as competence, verbal and physical responsiveness, pampering, comfort, and rapport more than do men. They also value *outcome* factors such as appearance, feelings, self-confidence, and focus of attention, and the *extrinsic* factor, salon (atmosphere and cleanliness), more than do men. The last factor, long-term relationship, which is related to rapport (but not really a process factor), is also valued more by women than by men.

At the same time, our rankings analysis showed that despite gender differences, some factors such as long-term relationships, ambivalent feelings, self-confidence, and focus of attention are not very important to men or women. It is not surprising that these factors are not important to men based on the qualitative research. However, female respondents in the qualitative study had specifically mentioned all these factors as important for evaluation or switching. Perhaps, long-term relationships are more important to older segments which were included in the qualitative study but not in the quantitative study. Also, rapport was found to be more important than long-term relationships. Given that rapport sometimes comes about as a result of a long-term relationship and at other times takes place in a shorter time period, it is possible that when some respondents had mentioned long-term relationships, they may have been thinking of the rapport that often goes with this.

Our qualitative study had suggested that feelings associated with the haircutting experience would be an important outcome factor, especially for women. Although our quantitative study did find that women experienced feelings (positive and ambivalent) more than did men, only positive feelings as an outcome of the haircutting experience were found to be important to both men and women. The possibility of ambivalent feelings as an outcome were not important to either group for evaluation or switching. The empirical support for positive feelings (over ambivalent feelings) as an important outcome factor is in keeping with Hirchman and Holbrook's (1982) notion of the importance to consumers of "feeling good."

Two other factors, self-confidence and focus of attention, mentioned in the qualitative study, did not emerge as important in the quantitative study. Perhaps these factors (along with ambivalent feelings), are easier to capture in a critical incident format than in survey research. In any case, these findings again point to the benefit of conducting different types of analyses. On the one hand, the use of multiple research methods and analytical techniques can indicate the most critical factors as they will emerge in *all* the analyses. On the other hand, triangulation of research methods can help capture aspects which might seem less important when using only one type of research method.

Implications for future research are several. First, researchers can see if the *patterns* of process, outcome, and extrinsic factors for service evaluation and switching behavior found in this study hold for other experiential services. Second, our *multi-method approach* may be applied to other contexts to capture all possible factors and to

pinpoint critical ones. Third, researchers can apply our methodology to test for *customer differences (based on involvement)* in evaluation and switching behavior for other experiential services, and for services in general. Another avenue for future research is to extend the *trade-off analysis* we conducted. By investigating a whole series of trade-off options, researchers may be able to get at the heart of the reasons consumers have for switching service providers.

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PATTERNS OF CUSTOMER EXIT IN A CONTRACT-BASED SUBSCRIPTION SERVICE

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ABSTRACT

Customer exit is one of the most extreme forms of complaining behavior, as pointed out by Hirschman (1970). It may be precipitated or accompanied by some negative affect toward the company supplying the service, although it may also be caused by a more distanced calculation of price and value. The timing of the customer's intended exit is extremely important, and has been studied heavily. That timing is complicated for a service which has been initiated by a contract with a definite lifespan, and attention centers on the importance of the contract expiration date and the customer's post- (and sometimes pre-) expiration behavior. The supplier is typically very interested in such exit patterns, their relationship to available internal information, and their consequences for such customer retention tactics. In this paper, we outline a method for viewing the exit propensity of cellular telephone customers, most of whom initiate service through the signing of a contract for a specified term. The production of these estimated propensities follow classical statistical survival analysis, and are augmented by the output of a neural net model for customer lifetime data. These propensities for exit then take the form of a statistical hazard function, whose components estimate the conditional probability of a customer's departure in the *t*th month of his/her service. These hazard functions will be categorized and related to internal company database information. This determines a way of segmenting customers, and creating indicators of that segmentation. Finally, we suggest a way to use this information to understand the customer's situation and to develop retention tactics. This concept is an extension of the classical use of lifetime value (LTV) as developed for the mail order industry, in that it affords a way of quantifying the value of allocating marketing strategies to customers with different valuations.

INTRODUCTION

Customer exit is one of the most extreme forms of complaining behavior, as pointed out by Hirschman (1970). It may be precipitated or accompanied by some negative affect toward the company supplying the service, although it may also be caused by a more distanced calculation of price and value. The emotional antecedents of the customer's intended exit is extremely important, and has been studied heavily (e.g. Singh and Wilkes, 1991). Somewhat less attention has been paid to the timing and duration of the exit (although see Huefner and Hunt, 1994). This timing is complicated for a service that has been initiated by a contract with a definite lifespan, and attention centers on the importance of the contract expiration date and the customer's post- (and sometimes pre-) expiration behavior. The supplier is typically very interested in such exit patterns, their relationship to available internal information, and their consequences for such customer retention tactics.

Note how the interaction of a contract, and the timing of exit place this sort of exit near the classic Hirschman notion of exit, and Huefner and Hunt's extension. In their 1994 paper, the latter authors outline the notion of such post-exit behaviors as retaliation and grudge holding. In the marketing situation we discuss, contract expiration marks the time at which exit becomes generally possible, and interest centers on actual exit behavior before and after this point. Rather than duration *after* (avoidance) as developed by Huefner and Hunt, we discuss durations *until* exit after exit becomes possible. As we will see, for some contract expiration has nothing to do with exit, for others it is the cue to leave as quickly as possible, while for still others it is a brief time of search for a better deal. Thus, this discussion takes place in a way parallel to that of Huefner/Hunt, with contract expiration being the pivotal event rather than exit itself.

In this paper, we outline a method for viewing

the exit propensity of cellular telephone customers, most of whom initiate service through the signing of a contract for a specified term. These propensities will be categorized and related to internal company database information. Finally, we suggest a way to use this information to understand the customer's situation and to develop retention tactics. This concept is an extension of the classical use of lifetime value (LTV) as developed for the mail order industry (e.g. Aaker, Kumar and Day, 1998; Schell, 1990), in that it affords a way of quantifying the value of allocating marketing strategies to customers with different valuations.

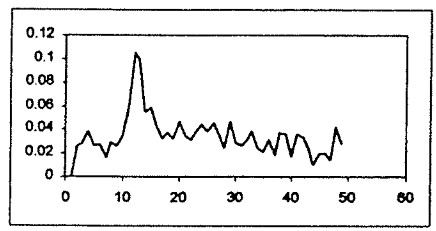
HAZARD FUNCTIONS AND THEIR PREDICTION FROM COMPANY DATA

In the United States, residential customers generally obtain cellular telephone service by signing a contract for a fixed period, frequently 12 months. At the end of that time, the customer can leave the company's service without penalty, or renew their contract, or choose to remain without the need to sign a further contract. From the supplier's viewpoint, a given customer has a birth date (the contract initiation date), an age, and a time of "death," i.e. the time of terminating service (either to take up service with another provider, or to leave the cellular market altogether.) At each age, a customer has a probability of death, generally depending on his age as well as many other factors. The set of these probabilities for all possible ages is called a hazard curve, of which Figure 1 is an example.

Customer age is plotted on the horizontal axis, while the death probabilities are plotted on the vertical axis. Like most hazard curves, this one displays information that can be very useful for relationship marketing. The expiration of the one-year contract signed at service initiation is clearly shown by the "spike" in the hazard rate around 12 months. For this customer, it is also interesting that the hazard rate is relatively low both before and after the time of expiration. As we will see below, this is not always the case.

There are several accepted ways of estimating hazard curves. Hazard for entire populations can be estimated through the celebrated Kaplan-Meier technique (Kaplan and Meier, 1958), and the effects of covariates can be incorporated in a proportional hazards model (Cox and Oakes, 1984). For purposes of this paper, though, we use a neural net technique described in Drew et al., 1999. A related technique can be found in Street (1998). Discussion of the technical details of the neural net model are beyond the scope of this paper; what is important for our purposes is its production of a hazard function for each customer in a market. The resulting hazard curves are unique to each individual in the sample under consideration, but they tend to fall into one of four main types or segments, within which the individual hazards are quite closely multiples of each other. The implications of these segments are significant for understanding customer exit from this service.

Figure 1
A Typical Hazard



PATTERNS OF HAZARDS

Through the statistical clustering of the individual hazard functions discerned by the neural net, four basic patterns of hazards were discovered. Within each of the four basic patterns, hazard functions of individual customers were multiples of the reference hazard (that is, each individual's complete hazard over all months is just a multiple of a single reference hazard). Within each segment, of hazard pattern, the multiple is a complicated function of the customer data from the company database. Thus, a proportional hazards model (Cox and Oakes, 1984) holds within each segment. These multiples are a way of arraying the hazards within each segments, and Figure 2 shows the segment hazards with regularly spaced functions displayed. (Within each segment, the multiples of the hazard functions were sorted from lowest to highest, and the hazards corresponding to the 10th, 25th, 50th,

Figure 2
Hazard Function Segments from NN Models

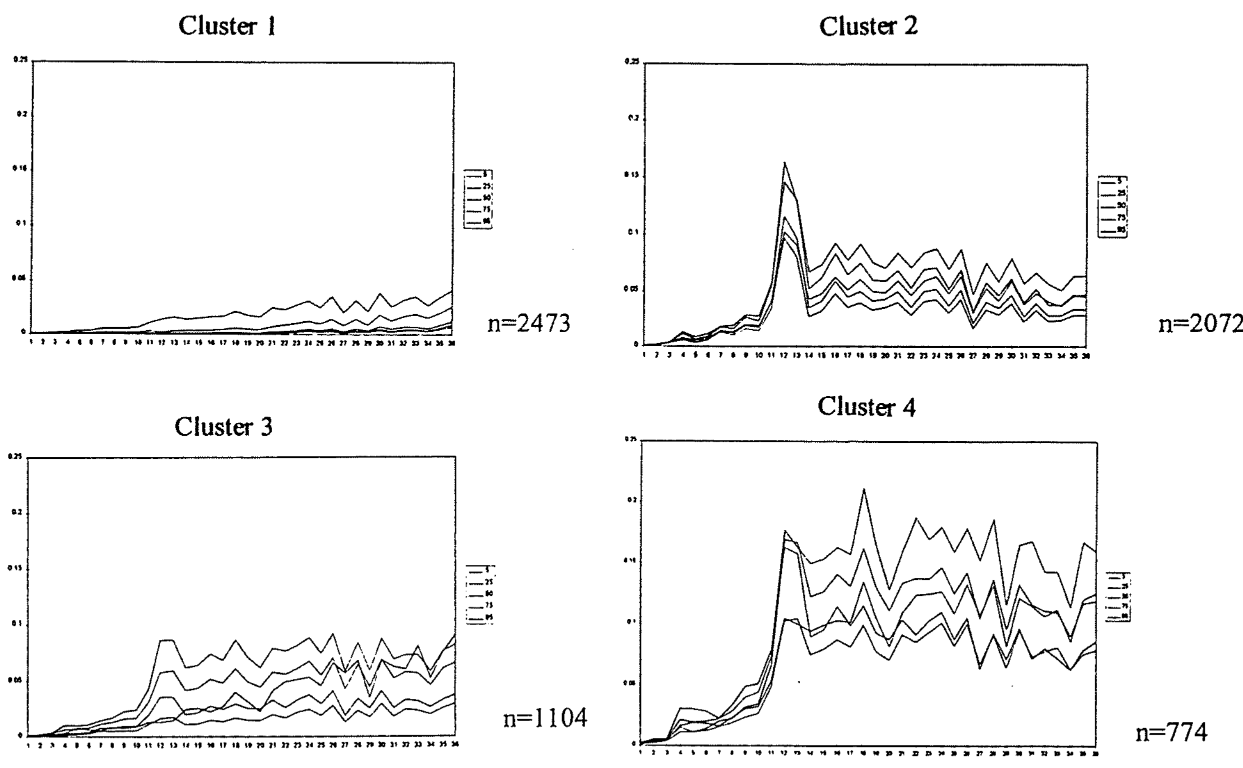


Table 1

Cluster-Segment	Contract-Related Exit Timing	Implications for Retention Effort
1 (n=2473)	No effect of contract expiration	No pre-expiration contact required. Contact may trigger churn.
2 (n=2072)	Small increase in churn propensity at expiration Post-expiration churn remains elevated	Moderate pre-expiration effort needed. New contract or continued contacts needed.
3 (n=1104)	Large spike in churn at expiration; Low churn thereafter	Concentrate effort on pre-expiration; Contract renewal may not be required
4 (n=774)	Large increase in churn at expiration; Post-expiration churn high and increasing	High intensity effort pre-expiration; Continued competitive offers to designated customers

75th, and 90th percentile are shown.)

These four hazard clusters constitute a useful customer segmentation in terms of their interaction with cellular service and its contracts. This segmentation has important interpretations of a customer's state of mind in using cellular service, and important intuitive implications for the company's retention efforts for these different segments. These are summarized in Table 1.

It is interesting to contrast clusters 1 and 4, in

the light of buying strategies. Cluster 1 evidently represents customers who have high (psychological) barriers to switching cellular suppliers, while cluster 4 seems to be composed of those who switch as frequently as contracts allow. These spectrum ends are reminiscent of the "lost-for good" and "always a share" models developed by Jackson (1985).

HAZARD PATTERNS AND COMPANY DATA

These patterns have an important meaning for company marketing and retention efforts. Insofar as these patterns are discerned by a neural net, whose mechanisms are effectively unknowable, and because the clusters are based on mere geometric shapes of the resultant hazard curves, company needs require their relating to internal data and customer histories. Although a classical tool such as discriminant analysis could be used for this task, the likely nonlinear covariate effects indicates use of decision tree methods (Hand and Henley, 1997). In these methods, the entire dataset, with its initial distribution of the four cluster types, is repeatedly split based on values of explanatory variables. In an ideal analysis, the splitting results in subsets of data which consist solely of one cluster. In our data, the explanatory variables included:

Detailed Billing	A special, extra-cost feature; often associated with business customers
Total Charges	Total charges on a customer's monthly bill; includes access charge, air time, roaming charges, etc.
Peak_MOU	Number of monthly minutes of use (MOU) billed at defined peak hours
Channel	Sales channel (e.g. GTE distributor, auto dealer) through which the service was initially purchased
Total Calls	Total number of calls in a month

The CHAID results, i.e. the splitting rules which define paths to the most discriminatory subsets, lead to the summaries of the covariate effects indicated in Table 2.

Intuitively, it seems that Cluster 1 is composed of such customers as the "safety and security" set, who possess their cellular telephone as an emergency and convenience device. Cluster 3 comprises users who have a moderate flat-rate access charge accommodating all their calling needs. Cluster 4, in contrast, comprises customers with rate plans whose flat rates do not fit their high calling volumes. These may well be customers who would be better served by a different rate plan; their high post-contract churn probabilities indicate that such improved plans are often obtained through alternative suppliers. It may be that Cluster 2, a scaled-down version of Cluster 4, may also comprise customers with inappropriate contracts.

With these data, it is not easy to characterize rate plans that do or do not accommodate a customer's needs, as this concept is ultimately an affect not well revealed by objective company data. A simple calculation such as dollar cost per minute of telephone use is not appropriate because this ratio tends toward infinity when usage becomes small. A somewhat more general treatment is to model an "average" cost per use function as a simple least-squares regression of monthly cost on monthly minutes-of-use. Residuals from the resulting regression line are a measure of how relatively high or low is a customer's total bill compared with his/her usage minutes. The higher the residual, the higher the customer's relative cost, and the less appropriate the rate plan under which the calling was done. One might anticipate then, that cluster 3 would have lower values for this residual than clusters 2 or 4.

Table 3 below shows selected summary statistics for this variable over the four clusters.

Observe that cluster 3 has the lowest values for residual means, the 75th and the 90th percentiles, although the medians are about equal. Cluster 3 customers have better rate plans in that their above-median usage-adjusted costs tend to be substantially smaller than for the more churn-prone clusters 2 and 4.

Table 2

Cluster No.	Shape	Distinguishing Features
2		No influence of available covariates: A reference shape
1		Detailed Bill; Few calls/month
3		Two distinct types: • Zero Charge for MOU, Many Calls/Month • No Detailed Bill, Low Total Charge
4		High total charge

Table 3

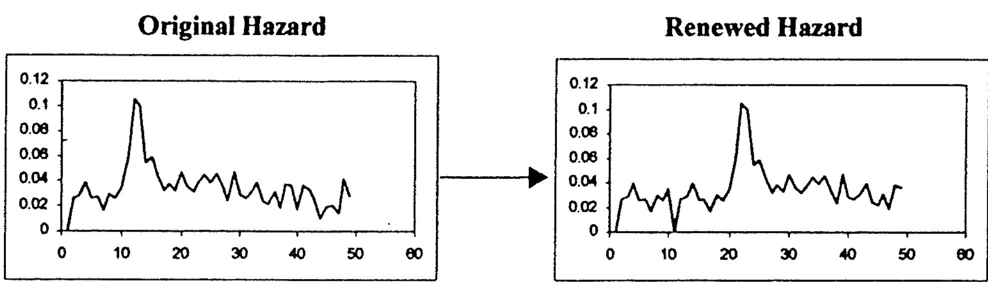
Cluster	Median	75th Percentile	90th Percentile
1	-5.49	7.14	25.94
2	-6.15	7.98	36.26
3	-6.98	4.09	16.81
4	-6.71	12.60	47.98

USING THE HAZARD PATTERNS FOR RETENTION STRATEGIES AND TACTICS

Contract expiration at (usually) 12 months is a crucial event for both the cellular company and its customer. An organized cellular provider should construct a retention strategy, contacting and offering significant retention inducements (e.g. a new phone or better rate plan) to one portion of its customers, while offering lessor--or no--inducements to other portions, and ignoring (i.e. not contacting) yet other portions. Each of these three strategies can be put in the same economic form: by combining contact costs and inducement costs into an aggregated concession cost, the issue becomes the size of the concession to offer to each customer.

Through our neural net model, each customer has a unique hazard function, and the cluster analysis above indicates the form and desired outcome of that customer's retention approach (e.g. ignore Cluster 1 customers). Analysis of each customer's hazard function, combined with knowledge of his/her expected revenue leads to an individual estimate of revenue gain to guide the retention effort.

Figure 3
The Effect of Contract Renewal



One way to quantify this gain is the following. A given retention effort has as its goal the modification of the customer's hazard function. For instance, the supplier may attempt to renew the customer's contract. In this case it is reasonable to expect that his/her new hazard function has its original form up to the time of renewal, after which the modified hazard function is a translation of the original so it begins its cycle at that time. At the time of renewal, the conversion of the customer's hazard function into, say, the form on the right leads to an increase in his/her estimated remaining lifetime, which can be calculated from the components of the old and new hazard function. For the Cluster 3 customer renewing at, say, 10 months, the original and modified hazard functions look like Figure 3.

As revenues (i.e. total charges from the company's viewpoint) are quite constant over time, and costs are effectively constant, the increased estimated lifetime is multiplied by the monthly revenue for each hazard function. The difference is the incremental gain from that customer's retention. The resulting calculation determines a reference value to guide the size of the concession one might extend to the customer. For example, a $100 cellular phone may be readily conceded to a customer whose contract renewal would increase his LTV by $400; the same phone, however, might perhaps only be sold at cost to someone with an incremental LTV of $85.

DISCUSSION

These hazard functions are useful in themselves, as the preceding paragraphs have shown. They are also connected to the notion of lifetime value (LTV) which has been useful in the mail-order industry. In that context, the LTV measure was an advance over customer segmentation by revenue, in that it provided a way of mediating the difference between a high-revenue, low purchase frequency customer and a low revenue, high frequency customer. Indeed, to a financial expert, the notion of LTV is a meaningful one. It is a way of valuating a customer as an asset, much like a raw material or a depreciated piece of capital equipment. It does, however, have less meaning for business operations since there is no intrinsic relation between a high LTV customer and his/her reaction to such marketing efforts as service improvement or retention strategies. That is, LTV is meaningful only when one presumes that a customer's behavior is unaffected by his or her relationship with that company. This is not always the case. With the production of an individual customer hazard function, the company can begin to base operational and marketing decisions on their effect on customer hazard, increase in remaining lifetime, and revenue increase. Some possible effects can be postulated based on an assumed company drive toward contract renewal (or its lack of effort), as we have attempted above. More sophisticated effects from more complex or actual efforts would, of course, require careful experimental design and analysis. In that case, the methodology by which we produced the hazard functions shown here provides a tool for quantifying those efforts.

CONCLUSION

The timing of customer exit can be displayed through the use of hazard probabilities developed by a neural net trained on observed exit times. The patterns have a fairly simple structure, and can be used to segment customers to determine their relationship to the contract governing their first 12 month's cellular service usage. The exit timings revealed by each hazard segment gives insight into how the customer reacts to his/her contract, and their forms suggest some strategies for marketing. In particular, each segment suggests a unique and optimal strategy for the retention contact, and each customer's hazard function allows the calculation of a reasonable retention effort.

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CONSUMER COPING STRATEGIES WITH DISSATISFACTORY SERVICE ENCOUNTERS: A PRELIMINARY INVESTIGATION

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ABSTRACT

Understanding the mechanisms by which consumers cope with dissatisfactory service encounters is a key challenge for marketing scholars and service practitioners. Furthermore, it has significant implications for service recovery, design and quality control. Although several studies have addressed the issue of how consumers communicate their dissatisfaction, little is known about the actual coping process and the variables that influence this in relation to dissatisfactory (stressful) service encounters. To this end the research in social psychology on coping behavior in a range of situations can make a contribution. The model of emotion and coping developed by Folkman and Lazarus is particularly applicable to the post-encounter process. They identified that as a result of a stressful encounter individuals will make a cognitive appraisal of what is at stake for them, the resources they have available to deal with the situation, and as a consequence utilize various coping strategies. Our research involved an extensive review of the relevant social psychology and consumer complaining behavior literature and a series of qualitative (critical incident) interviews. Appraisals and coping strategies employed by dissatisfied consumers in a range of service contexts have been identified. Importantly it also sheds light on the psychological processes underlying consumers' coping behavior. This paper concludes with managerial implications and directions for future research.

INTRODUCTION

Understanding how consumers cope when their service expectations have not been met, is a key challenge for marketing scholars and practitioners. While backstage systems and other operational features can be designed into services to ensure quality, achieving customer satisfaction on a consistent basis at the point of delivery, i.e., during the complex social interaction in the dyad known as the service encounter, is considerably more problematic. The implications of this are far reaching for an organization through increased negative word of mouth, loss of consumers and prospective consumers as well as the ensuing damage to the firm's reputation (Bitner, et al. 1990; Grönroos 1990). Consequently it has become paramount for service providers to manage both the service encounter and the recovery process.

To be able to do this successfully it is important for service providers to have an understanding of consumers' post encounter psychological processes. The special characteristics of services, namely their intangibility, heterogeneity and inseparability, suggest that post-purchase evaluation is highly subjective which in itself creates unique issues. Furthermore, consumers are more likely to engage in additional post-purchase evaluation with services than with goods due to the experience and credence properties which can not be adequately assessed prior to purchase (Zeithaml 1981). The service encounter, for the consumer, "is the key element in the economic exchange in which functional and psycho social benefits are produced and delivered by the service provider" (Czepiel 1990). It is essentially a social interaction and viewing it as a subset of human behaviors enables researchers to use theories that focus on interpersonal interactions and the resulting emotions and behavior, to gain a better understanding of the service process from both a consumers and service providers perspective (Czepiel, et al. 1985). Therefore this research focuses on the consumer and applies the transactional theory of stress and coping from social psychology (Lazarus and Folkman 1984) to the post encounter process following a dissatisfactory interaction. While the service encounter has been the focus of research in the past (e.g., Bitner, et al. 1990), the theory of stress and coping has only recently been introduced into the consumer behavior literature (Godwin, et al. 1995; Luce 1998; Mick and Fournier 1998; Nyer 1997; Stephens and Gwinner 1998). This being

so, it is not surprising that no study, to date, has demonstrated how individuals cope with a dissatisfactory service encounter. This research begins to address this shortfall by providing insights into the post-encounter cognitive processes and identifying the various coping strategies service consumers use.

BACKGROUND

While some researchers (e.g., Singh 1990) have addressed the issue of how consumers communicate their dissatisfaction, and others such as Oliver (1997) have begun to unravel the complexities of how consumers form satisfaction and dissatisfaction judgements, little research has been carried out on the psychological processes that result from these cognitive and affective assessments. Researchers such as Oliver (1997) and Schneider and Bowen, (1995, p.56) have begun to realize that, "consumers are people first and consumers second." Thus it is intrinsically more important to consumers to satisfy their fundamental human needs before they are driven to satisfy their conscious expectations, or consumption needs. In the "means-end chain" terminology (Gutman 1982), expectations of product attribute performance are the **means** by which the product/service provides the desired **ends**, i.e., fulfillment of fundamental needs or personal values. With every service encounter, irrespective of the purpose for the interaction, a consumer's basic human needs must be met, over and above any other expectations. They will react to the violation of or threat to these basic needs far more intensely, with anger, outrage, and in some situations physical hostility, because this type of situation threatens who they are, i.e., their self identity, their sense of belonging, their "heart and soul" (Schneider and Bowen 1995; Spencer, et al. 1993). For example when ATM machines were first introduced consumers resisted using them for fear of making a mistake. They did not want to be seen as incompetent, which would threaten their self esteem. A consumer who enters a retail establishment and is ignored in favor of other consumers would likely view this as a violation of their need to feel they belong.

A consumer experiencing such a violation or threat to their fundamental needs would be experiencing stress, as there would be a discrepancy between their perceived and desired state (Edwards and Baglioni 1993). This stress would then be creating a sense of unease that would trigger some effort on the part of the individual to manage this in order to bring their perceived and desired states back into equilibrium. As a consequence this situation creates additional demands on a person's resources, both internal and external (Folkman, et al. 1986). This in turn triggers cognitive appraisal and coping which are seen as "critical mediators of stressful person-environment relations and their immediate and long-range outcomes" (Folkman, et al. 1986 p992).

Cognitive appraisal is the process of "categorizing an encounter, and its various facets with respect to its significance to well-being" (Lazarus and Folkman 1984 p31). It takes place on a continuous basis during waking time, and is evaluative as it focuses on the meaning and significance of events or encounters with the environment. There are two different types of appraisal in the coping process. The first is **primary appraisal**. Lazarus (1991) distinguished between three different types of primary appraisal. (1) **Goal relevance** refers to whether there is any implication for a person's well-being in an encounter. (2) **Goal congruence or incongruence** refers to the degree to which the encounter facilitates or thwarts a person's personal goals. Satisfactory service encounters would be said to be goal congruent whereas dissatisfactory ones would be incongruent. (3) **Ego involvement** refers to the aspects of ego-identify or personal commitments that are involved in the encounter. Hence for an dissatisfactory service encounter to be judged as such by a consumer it must be relevant to their personal well-being. It must also be incongruent to their personal goals and in some way challenge, threaten, or harm their ego-identity or personal commitments. For example, a hungry consumer entered McDonald's wanting a burger only to find the one they wanted had gone up in price. The consumer then realized they did not have enough money with them, and as a consequence became angry. This encounter was relevant to their personal well-being, as they were hungry and unable to satiate this. It was also incongruent with their goal of purchasing a burger. Their self-

esteem was also threatened as they did not want to be in a situation with not enough money and be seen by both themselves, and the McDonald's attendant as being inadequate (Lovelock, et al. 1997).

Having appraised the situation for what is at stake, a consumer then must decide what they can do about it, if anything. This is called **secondary appraisal** (Lazarus and Folkman 1984). Secondary appraisal is a complex process whereby a consumer not only evaluates what can be done, but what the possible outcomes will be of any particular action. They take into account what coping options are available to them and whether they feel they will be able to successfully execute a particular strategy or strategies to produce their desired outcome. There are three components of secondary appraisal: (1) **blame and credit** which are derived from knowing who is responsible or accountable for the situation (Lazarus 1991); (2) **coping potential** which involves the evaluation by the person as to how they can manage the demands put on them in the particular encounter (Folkman, et al. 1986); and (3) **future expectancy** which entails whether the situation is likely to become more goal congruent (Lazarus, 1991).

The primary and secondary appraisals interact with each other to determine the degree of stress and the strength and content of the emotional reaction (Lazarus and Folkman, 1984). What a person can actually do about the situation involves coping (Lazarus, et al. 1980; Pearlin and Schooler 1978). How an individual copes will either prolong, attenuate, end or change the emotional episode. Therefore coping involves actual attempts by the person to change the stressful transactions within their environment or to regulate the negative emotions that result from the transactions (Lazarus, et al. 1980).

COPING STRATEGIES

The coping strategies a consumer may use come under two broad categories. The first is **problem focused**, where a consumer believes they have control over the situation and will use strategies to alter the situation to relieve the stress. The other is **emotion focused**, where they have little control over the situation, so will use strategies to reduce the emotion, and therefore lower the levels of stress (Folkman 1992). Given a particular stressful encounter a consumer is likely to use a number of different strategies, both emotion and problem focused (Billings and Moos 1985). Research by Folkman and Lazarus (1980; 1985), on two separate occasions, provided strong support for this as they found that both problem and emotion focused strategies were used by 98 and 96 percent of respondents when coping with a particular person-environment encounter that was perceived as stressful.

While there are several different perspectives on coping (see Latack and Havlovic 1992), it is viewed in this paper as process oriented and contextual (Folkman, et al. 1986) rather than a trait or disposition (see Krohne 1996 for more detail). In line with this perspective, coping strategies will be used rather than coping styles. The latter refers to a trait or dispositional way of coping (Pearlin and Schooler 1978), whereas the former refers to cognitions and behavioral strategies that an individual uses in response to a stressful person-environment encounter (Fleming, et al. 1984). It has also been argued that coping styles are too broad and are unrelated to the context in which they occur (Conway and Terry 1992), and thus have little use as a unit of analysis in coping research. Carver et al. (1994), also found there was no strong evidence to support that coping predispositions reflected a persons actual coping behavior.

Along with the need to examine specific contexts in which the coping occurs, goes the need to identify coping strategies that are distinct to the context in which they are used. As researchers such as Dewe and Guest (1990), and Maes, et al. (1996) have suggested, using broad categories of coping strategies may not actually capture the full range of coping responses made in a particular context. For example the categories developed to cope with a situation such as the death of a loved one may not be appropriate for use in a dissatisfactory service setting.

Therefore the purpose of this research was to identify the particular primary and secondary appraisals and the coping strategies used by consumers in a service encounter context. Hence the single dissatisfactory service encounter is the focus of analysis in this research. In order to accomplish this purpose our research draws on the

social psychology literature on coping behavior, together with exploratory research, to fulfil two objectives: first, to identify the nature of primary and secondary appraisals and second, to identify the coping strategies utilized by consumers following a dissatisfactory service encounter.

METHOD

To meet these objectives qualitative research was undertaken using a critical incident technique (CIT) (Flanagan 1954; Bitner, et al. 1994; Bitner, et al. 1990). This technique is an exploratory method which has enjoyed a revival in services research (Nyquist, et al. 1985), as well as in psychology (Woolsey 1986). It allows for a more "holistic approach to gathering data which is very context dependent" (Walker and Truly 1992 p 272). Thus the CIT is particularly well suited as a means of data gathering for this research. It allows the researcher to see some of the dynamics of the cognitive and coping processes involved within the specific context of the service encounter.

Respondents were recruited using a snowball technique (Churchill 1995; Dawes 1987). This is a judgement sampling technique whereby the researcher's ability to locate an initial set of respondents with the desired characteristics is utilized. These individuals are then used as informants to identify other potential respondents with the desired characteristics. While this type of sampling technique should not be used in descriptive or causal studies, it is considered appropriate for the initial stages of research "when ideas or insights are sought" (Churchill 1995 p 583). In this manner the initial respondents were identified through the researchers' network of friends and associates. They were then asked if they could recruit respondents on the researchers behalf, and likewise with these respondents, and so on. Those who had a dissatisfactory service encounter within the four weeks prior to being approached were interviewed face to face. They were asked to give a detailed description of the incident concerned and of their immediate post purchase behavior, thoughts and feelings. Probes such as "who else was involved?", "how did you feel when the situation first arose?", and "what was it about the situation that made you feel angry, disgusted, etc.?", were used (Oakland and Ostell 1996). In accordance with Lazarus and Folkman's (1984) recommendations, no direct questions were asked about coping mechanisms. These interviews were audio taped and transcribed for later analysis. In this manner, thirty two in-depth interviews were carried out. Each interview was approximately 1.0 to 1.5 hours in duration. The incidents involved a variety of service settings including, doctors, dentists, watch makers, retailers, real-estate sales people, and car mechanics.

Each encounter was analyzed as set out by Strauss and Corbin (1990). Through this process the situations which gave rise to the need for coping were identified. How respondents interpreted these was also identified, i.e., what was at stake in these situations for each respondent, for a particular incident. Their options for coping and how they appraised these along with the resultant coping strategies or behavior were also ascertained. The coding of the interviews was undertaken by the principle researcher and an associate, with an inter-coder reliability of 95 percent. Those instances where there was some discrepancy between coders, were not included in the final analysis.

RESULTS AND DISCUSSION

As previously stated, primary appraisal involves determining the goal relevance, congruence or incongruence, and ego involvement of the stressful situation. Since the respondent can recall the incident, this would imply that it has some relevance to them (Lazarus 1991). The research required that only dissatisfactory incidents be discussed, implying goal incongruence. The degree of relevance and incongruence were not the focus of this research so were not taken into account as such.

Six categories of primary appraisal were identified as outlined in Table 1. **Self esteem, physical well-being** and **well-being of a significant other** are in line with Folkman, et al's (1986) categories of "self esteem," "harm to your own health ...or well-being" and "harm to a loved one's health, safety or physical well-being," respectively. Folkman, et al. (1986) also included safety in their category "harm to your health, safety or well-being," however in this research it

Table 1
Categories of Primary Appraisal and Associated Examples

Primary Appraisal (What is at Stake)	Examples from Dissatisfactory Service Incidents
Physical well-being	"I was worried about the results [of the X-ray]...I wanted to know what was going on." "I was getting hungry and really tired"
Self-esteem	"...they couldn't be bothered with me" "I didn't feel like they were really interested in me"
Security	"I felt really exposed" "I felt really vulnerable"
Justice	"I felt we had been cheated..." "I had paid for a room with a shower and I wanted the shower working" "It was the dishonesty of the whole thing...."
Belonging	"I felt like I didn't belong here...I felt really uncomfortable" "We were completely ignored..."
Well-being of a significant other	"...they gave alcoholic drinks to my ten year old step son and his two friends"

has been incorporated in the security category. Consumers who have had a stressful service encounter may not only feel that their personal safety is at stake but their security in other areas such as financial, social, and psychological (Murray and Schlacter 1990). This was evidenced by comments such as: "She was just kind of glaring over me...she was such a big woman ..." The respondent was clearly feeling intimidated psychologically and to some extent physically by the service provider. Thus their **security** was at stake. Another respondent when talking about a repair to their lawn mower was obviously having their financial security threatened by the cost of the repair: "They were viewing it ...[as if] something had gone wrong with it so they fixed it...how it was paid for was not their concern...a thousand dollars is quite a big job in anyone's language."

Justice (equity or sense of fairness) has been demonstrated to be an issue at stake for consumers in customer dissatisfaction research (Blodgett 1994; Blodgett and Tax 1993; Friend and Rummel 1995), so it was not surprising that it is a category of primary appraisal in this research. Respondents appraised the situation as being a justice issue on several occasions. "...I got the feeling she thought I might be a shop lifter, and I'm not sure why...but I was really interested in the kind of products that were there..." This comment illustrates this, as does the following: "What was her purpose for doing that? I haven't done anything [wrong]."

The final category of primary appraisal that came out of this research was that of **belonging**. Previous research (Friend 1996) has revealed that consumers need to feel they belong in a service environment. Violation or threats to their sense of belonging can lead to dissatisfaction. This was also supported by this research. Respondents often made comments about feeling like they did not belong (see Table 1). Other comments which reflected a violation of the need to belong included, "[service provider was on the phone

Table 2
Categories of Secondary Appraisal and Associated Examples

Secondary Appraisal (Options for Coping)	Examples from Dissatisfactory Service Incidents
Situation could be changed or something could be done about it	"I said to...we've got to do something about it" "I decided to go and talk to the manager about it"
Situation just had to be accepted	"I have to live with it...there's nothing I can do about it" "I've heard they're doing really well so what motivation have they got to listen to me?" "It was just one of those things that occurs"
Needed to know more before acting	"So I got out the contract...I needed to know some more...I didn't really know was she trying to rub me up the wrong way or did she really have a problem?" "I wondered what was her purpose for doing that [staring at her]"
Needed to restrain oneself from doing what one wanted to do	"I was almost too angry to do it because I felt I would have been abusive" "I felt like screaming in there and screaming at them, but I didn't"
Action may make the situation worse	"I didn't want to take any action...I didn't want to have anything more to do with them"

talking to a friend] I just thought if you can't be bothered then that's fine...and I walked out...if it's a hassle for anybody to provide me with the service then it's a hassle for me to shop with them."

The secondary appraisal (options for coping) categories are outlined in Table 2. Five categories were identified in this research. The categories of "situation could be changed or something could be done about it," "situation had to be accepted," "needed to know more before acting," and "needed to restrain oneself from doing what one wanted to do," are similar to those identified by Folkman and Lazarus (1980) in their research on coping in a middle-aged community. Other researchers such as Dewe (1991; 1992) and Carver, et al. (1989) have also found support for these categories in their research on primary and secondary appraisal in coping. In this research a fifth category was identified, "action may make the situation worse." This is in line with a category identified by Dewe (1992), in his research on stressful work encounters, where respondents felt that if they dealt with the situation the way they wanted to it would make things difficult for them. The fundamental difference between this fifth category and the one prior, that of restraining oneself from doing what one wanted to do, was apparent in the comments respondents made. Those who felt the need to use restraint had a very clear course of action set out in their mind but for various reasons chose not to carry them out. Those who felt action would make the situation worse had not got to the stage of thinking about any actions, rather they had chosen **no action**, as can be seen in the examples given in Table 2.

The coping strategies used by consumers fell into ten categories. **Confrontive coping** involves some sort of aggressive, (e.g., "I asked what was going on with an angry voice") or hostile efforts to

alter the situation, (e.g., "shouted at the dentist to stop"). It can also involve some type of risk taking behavior, (e.g.,"I talked to the woman behind the counter but I didn't think it would do any good, but at least I was doing something").

Efforts to detach oneself from the situation or put it to the back of one's mind come under the category of **distancing**. Respondents made comments such as, "it was only a lawn mower after all," when referring to lawn mower repair, and "it's something I have to put to the back of my mind." While Folkman, et al. (1986) also included creating a positive outlook in this category, this was included in with **positive reappraisal**. In this research it appeared that the behaviors exhibited by people who were creating a positive outlook were engaging in strategies similar to those who were positively reappraising the situation and could not be said to be distancing themselves from it. By creating a positive outlook, or positively reappraising the situation they were preparing the way for a possible return to the service provider on another occasion by comments such as "we will be more careful next time." Therefore they were likely to re-enter a very similar encounter to the one that had triggered the coping process.

When people acknowledge their role in the encounter and endeavor to put things right, this is termed **accepting responsibility**. Statements such as: "realized I had bought the problem on myself" and "I apologized" are typical of this category of coping strategy.

Escape or avoidance strategies typically involved people "wishing the situation would go away" or engaging in behavior whereby they did not have to think about the situation, such as drinking or sleeping. This type of strategy is often associated with psychological distress (Holahan, et al. 1996). Consumers who feel powerless or who experience extreme personal embarrassment in the situation, often use this coping strategy, such as the respondent who had a hair cut that was not to her liking. She described behavior such as drinking and sleeping to try and escape the distress she was feeling over her "awful" hair cut. Another commented how "the anger got switched from them [the service provider] to my husband."

Self controlling or symptom reduction was a category that was used by many of the respondents in this research. Several comments implied that they did not want to "act too hastily," or "burn their bridges." This type of behavior is characteristic of self controlling strategies (Folkman, et al. 1986).

Other types of coping strategies commonly used by respondents in this research came under the category of **seeking social support**. Here people seek tangible, emotional or informational support from a person or persons. The following comments from respondents were typical of this category of coping behavior: [when talking to friends about the incident] "...like they're angry too just listening to me." and "People would say it [haircut] looks OK honest" This finding is not unexpected in this research, as word of mouth is a behavior frequently engaged in by service consumers (Lovelock, et al. 1997) and is an integral part of their post purchase behavior (Zeithaml 1981).

Planful problem solving strategies tended to be the type of strategy used by respondents who felt they had some control over the situation. Typically people made plans of action (e.g., "I decided to tell everyone I knew about the jeweler and not to go back again") or knew what had to be done and did it, such as writing letters of complaint (e.g., "that night we sat down, got all the details together and wrote a letter [to the service provider concerned]"), and gathering all the information together and then approaching the service provider seeking a solution to their problem. This is consistent with the research carried out by several researchers including Folkman, et al. (1986) and Dewe (1992).

The final two categories, while not included by Folkman et al. (1986) in their taxonomy of coping strategies, were advocated by Edwards (1988). The first of these is **devaluation**. Strategies used in this category mainly tended to include cognitions where people tried to convince themselves that things were not that bad (e.g., "with the passage of time these things fade away"), or the situation was unimportant, or insignificant. The final coping category identified through the course of this research was **accommodation**. Here people would try to adapt or accept the situation, or change their expectations (Edwards and Baglioni, 1993). Consumers will often readjust their expectations after the service encounter,

especially in instances where they have had little or no prior experience (Patterson and Johnson 1995). Therefore it is not surprising strategies in this category were often used by respondents. Comments such as "I think all pharmacists are like that," "maybe it's just their [waitresses] lack of maturity," and "there is little point in doing anything about it once you've been," were typical responses.

CONCLUSION

It appears from this exploratory study that the coping process does have some application in the service setting. As a consequence some important issues for service management have been identified. The most important of these is that service providers need to understand the psycho social benefits of the exchange as well as the functional aspects. To do this the service provider must be able to appreciate exactly what is at stake for the consumer during the encounter, such as self-esteem, a need to belong, and/or a need for security or justice. This also has important implications for service recovery. For the service provider to make amends to the complaining customer they need to address the violation of the customer's needs as well as providing compensation for the failure of the functional aspects of the service. Smith and Bolton (1998) identified that both cumulative satisfaction and repatronage intentions decrease not only after service failure but also after recovery, unless the consumer is **very satisfied** with the recovery process and outcome. Therefore it is imperative that the service provider gets it **exactly right** the second time, i.e., during recovery.

These issues also have important implications for the recruitment and training of service providers. They must be adept at understanding human needs and how these affect behavior during an interaction, as well as being competent at delivering the core service. They also need to be able to comprehend what is at stake when these needs have been violated and what would be the most beneficial way to rectify the situation.

There are also some specific issues that became apparent through the course of this study that warrant further research. The incidence of various coping strategies and the particular appraisal processes that accompany them could well be the focus of future research. To examine the effects of different problems within the service encounter, across various service types and situations, and the effects of these on the appraisal and coping process could also be a fruitful avenue for further research. For example, under what conditions do consumers use a confrontive verses an escape/avoidance strategy or planned problem solving? Is it a function of service type (high verses low contact) and situational characteristics (criticality of service encounter, amount of perceived power the consumer possesses, involvement, degree of commitment to the service provider and length of patronage) or the characteristics of the individual consumer? The effect of the degree of goal relevance and incongruence on coping strategies could also provide some interesting results.

Hence this study has laid the ground work, and to some extent set the scene for research in the area of how service consumers cope with a dissatisfactory encounter. The managerial implications of this study, along with future research in this area, will not only aid in the design and implementation of service recovery, it will also provide a better appreciation of how consumers react to various incidents within the encounter. This enhanced understanding of the post encounter process must ultimately lead to a more rewarding experience for both the provider and the service consumer.

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AN EXPLORATORY STUDY OF EXIT BEHAVIOR AND THE APPEARANCE OF RETAIL STORES

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ABSTRACT

Although retailers remodel their facilities frequently, little is known about which aspects of retail interiors are observed by customers and which of those aspects affect their purchase or exit behavior. Using a triangulated approach, this study examined aspects of the appearance of retail stores and exit behavior. Subjects who reported having left a store without buying anything because of the appearance of the store were asked to describe the store. Findings indicated that subjects who come from suburban areas are significantly more likely to leave a store without buying anything because of the appearance of the store than are those from rural areas. Differences were found for academic major of the subjects but not for sex or ethnicity. Those who reported the lowest satisfaction with their shopping experience were the least likely to have returned to the store. Results of this study could be used by retail store owners to make decisions about whether to remodel their facilities, and to plan how best to utilize limited remodeling funds.

INTRODUCTION

In the report of a recent study ("An inside look," 1996), consumers in focus groups said that they found retail stores to be poorly designed and in need of more attention to shoppers' needs. Retail store and chain store owners remodel their facilities with little access to information about the aspects of retail environments which appeal to consumers. The report of the focus group study indicated that "consumer attitudes were actually a 'proxy' for financial performance -- a testament to the importance of consumer attitudes."("An inside look," 1996, p. 158). Although little research has been reported on which aspects of retail interiors affect satisfaction, exit behavior, and purchase behavior among consumers, it is often assumed by those investing in the remodeling projects that customers are more satisfied with the remodeled stores than with older stores, that they will spend more time in these stores, and therefore that they will buy more. Markin, Lillis & Narayana (1976, p. 44) pointed out that "too frequently, store design and space utilization are not well integrated into the overall merchandising plan, nor does the merchandiser-marketer always appreciate the significance of space utilization, overall store design, color, and lighting as dynamic parts of his selling strategy."

Environmental psychologists, marketing researchers and others have studied various aspects of the relationship of retail store interiors and the purchase behavior of customers. An early study (Marks, 1976) explored combining several multivariate techniques to determine which factors of store image are salient to consumers in women's clothing specialty stores. Marks concluded that utilizing factor analysis in conjunction with multiple regression has advantages in a setting such as the one utilized.

Donovan and Rossiter (1982) explored store atmosphere using the Mehrabian-Russell affect model. Their findings suggested that the pleasure and arousal induced by store atmosphere had an effect on shopping behavior. In a later study, Donovan, Rossiter, Marcoolyn and Nesdale (1994) found that emotional suspense induced by store environment can positively affect the amount of time and money customers spend in a store. Baker, Levy and Grewal (1992) also used the Mehrabian-Russell affect model to explore the making of retail store environmental decisions. Results of their study indicated that ambient cues such as lighting and music interact with social cues such as the number and friendliness of employees to influence customers' pleasure, and that the store environment has an impact on customers' willingness to purchase.

The effects of color on store design were explored by Belizzi, Crowley & Hasty (1983). They found that colors, and particularly warm colors, can physically attract shoppers to store displays, and that color also has the potential of creating a retail image.

The effects of store characteristics on

customers' mood, satisfaction, and purchasing behavior were explored by Spies, Hesse, and Loesch (1997). Their findings indicated that pleasant store atmosphere positively affected the satisfaction of customers and induced in them a positive mood but had no direct effect on purchase behavior. A positive mood in customers was, however, found to foster spontaneous purchases.

A critical framework by which to evaluate the design of retail stores was developed by Fayek and Heuberger (1998). Among the categories identified in this criticism framework were space plan, department identity, visual merchandising and fixturing.

In a study of visitors' reactions to office interiors, Morrow and McElroy (1981) found that tidiness had the strongest impact on the subjects' reactions; and that, among the aspects of interiors studied, status symbols had the least impact. Their study also supported previous studies of office interiors which indicated that office design can elicit predictable inferences among visitors about the office occupants.

Ward, Bitner and Barnes (1992) explored the relative influence of the external and internal physical environment on the prototypicality of retail stores. A finding of this study was that the subjects' attitudes toward the restaurant studied were strongly influenced by environmental cues, and that the external environment was found to be more influential than the internal environment.

METHOD

To examine reported exit behavior and aspects of the appearance of stores, a questionnaire was developed using both quantitative and qualitative techniques. Subjects were students in an introductory microeconomics course at a northwestern university. Questionnaires were distributed during a class period along with an informed consent form. Participation in the study was voluntary. Ninety-eight questionnaires were completed; two were eliminated because of missing data. The final sample size was 96.

Subjects' ages ranged from 17 to 42 years with a mean age of 20.4 years. Fifty-three percent of the subjects were male and 47 percent were female. Ninety-one percent of the subjects were white/Caucasian and 3 percent were Asian. The permanent residence of subjects was about 43 percent suburban, 37 percent rural, and 20 percent urban. Subjects' majors represented all of the colleges on campus. The largest proportion of students were majoring in business (28%); 16 percent in engineering, forestry and home economics; 9 percent in agriculture; and the remainder were distributed among the other colleges.

Subjects who indicated that they had left a retail store without buying anything because of the physical appearance of the store were asked to provide an open-ended written description of the appearance of the store and to provide descriptive data about the type of store, the type of merchandise offered by the store, the store name, and the store location. These subjects were also asked to indicate their overall evaluation of this shopping experience (1=not at all satisfactory; 5=completely satisfactory) and whether or not they had ever returned to shop at the store. Demographic data were gathered from all of the subjects.

To analyze the qualitative descriptions of the physical appearance of stores, a coding scheme was devised. The unit of analysis was concept/idea as described in words/phrases. Each mention of a concept/idea was coded separately. The following eight variables descriptive of the physical appearance of the store were coded:

1) Organization--disorder, randomness, bad layout, bad floor plan;

2) Visual Merchandising--crowdedness, too much merchandise, unappealing or lack of displays, poor fixturing;

3) Signage;

4) Structural--disrepair, rundown appearance, building size;

5) Light;

6) Cleanliness--dirty, bad odors, trashy;

7) Interior Design--color, lack of decoration, floor coverings, walls, art, datedness;

8) Disarray--messy, merchandise on floor, merchandise not folded/stacked.

Another five variables were coded to record concepts/ideas that were also mentioned but were not descriptive of the physical appearance of the store:

1) Employees--rude, distracted, unkempt;

2) Target Market--trendy, felt out of place;

3) Merchandise/Product--shopworn, outdated, dirty, cheap, trendy;

4) Slow Service;

5) Other.

Initially, the two researchers coded the data independently; intercoder agreement was 63%. The researchers refined the variables and then jointly recoded the data to reach agreement on the appropriate coding of each concept/idea.

Data were analyzed using descriptive statistics and chi-square analyses.

FINDINGS

Over half (50) of the subjects indicated that they had ever left a retail store without buying anything because of the physical appearance of the store. Most of their aborted shopping experiences occurred throughout the preceding year. Eighteen percent occurred in the preceding month, about one-third within the preceding 1-6 months and about one-third within 6-12 months previous to the study; only 14 percent of the reported experiences occurred more than a year previously.

Characteristics of the stores in which the aborted shopping experiences occurred are reported in Table 1. More than half the stores were discount stores, over one-fourth were department stores, and 14 percent were specialty stores. The vast majority of stores were located in Oregon. Subjects were asked to indicate whether or not the store carried apparel, books, sporting goods, housewares, hardware, appliances, electronics, drugs or other merchandise. Subjects checked all applicable categories. The predominant category of merchandise offered was apparel with 40 subjects who indicated it (82%). The next most often indicated merchandise category was housewares with 15 subjects (31%) who mentioned it. The remaining merchandise categories were mentioned by no more than 13 subjects each.

Table 1
Store Characteristics

Store Type	n	%		
Department	14	28		
Discount	26	52		
Specialty	7	14		
Other	3	6		
State	n	%		
Oregon	24	80		
California	3	10		
Washington	1	3		
Other	2	7		
	Yes		No	
Merchandise	n	%	n	%
Apparel	40	82	9	18
Books	10	20	39	80
Sporting Goods	13	26	36	74
Housewares	15	31	34	69
Hardware	10	20	39	80
Appliances	9	18	40	82
Electronics	9	18	40	82
Drugs	6	12	43	88
Other	9	18	40	82

To investigate potential differences between subjects who reported that they had left a store without buying anything because of the physical appearance of the store and those who had not, chi-square analyses were calculated. No significant differences were found for subjects' sex or ethnic identity. A significant difference was found between leaving without buying and subjects' permanent residence (chi-square=6.33, df=2, p=.04). As shown in Table 2, half (n=24) of the subjects who left a store without buying resided in suburban areas compared to only 16 (35%) subjects who had not left without buying. Also, only one-fourth (n=12) of the subjects who had left without buying resided in rural areas compared to half (n=23) of the subjects who had

not left without buying.

Table 2
Crosstabs of Left Without Buying by Residence

	No		Yes	
Residence	n	%	n	%
Urban	7	15	12	25
Suburban	16	35	24	50
Rural	23	50	12	25
Total	46		48	

A significant difference was also found between leaving a store without buying and academic major (chi-square=20.54, df=6, p .01). Table 3 reveals that about one-fourth (n=11) of the subjects who had left a store without buying were in the College of Home Economics and Education compared to only 3 subjects who had not left without buying. Also, about one-third (n=16) of the subjects who had left a store without buying were business majors compared to about one-fifth (n=9) of the subjects who had not left without buying. Conversely, almost half of the subjects who had not left a store without buying were engineering or forestry majors compared to only about 15 percent of those who had left without buying.

Table 3
Crosstabs of Left Without Buying by Major

	No		Yes	
Major	n	%	n	%
Home Economics	3	7	11	23
Business	9	21	16	34
Engineering	10	23	4	9
Forestry	11	26	3	6
Liberal Arts	0	0	6	13
Agriculture	4	9	4	9
Other	6	14	3	6
Total	43		47	

Subjects' descriptions of the appearance of the store that they had left without buying anything are summarized in Table 4. Organization was mentioned 25 times (20%) by 20 subjects (23%).

Cleanliness was mentioned 26 times (21%) by 14 subjects (16%). The coding for this category included such phrases as garbage, bad odors, dumpy, and trashy. To illustrate, one subject wrote, "a trashy look." Another wrote that it "was a dump. The entire store was dirty as were all of the things inside." Another wrote, "The store had a very musty decaying smell. Everything was random, dusty, and had the appearance of not being cared for. The worst part was that other shoppers had left trash around like Kleenex, used coffee cups--the to go kind--and also pop bottles."Another vivid comment coded in this category was, "I will not shop in stores that appear unclean to me. Stained carpet, dust, and cobwebs were throughout the store. I will not enter a store that is visibly unclean."

Interior Design was mentioned 22 times (18%) by only 12 subjects (14%). The coding for this category included comments about the floorcoverings, use of color, decorations or lack of them, outdatedness, and art on the walls. Some subjects' written observations were, "It looks old fashioned," and "Kind of outdated." Describing a store in California, one subject wrote, "It was an alternative style clothing store. It was dark inside and very dark colors on the walls. There were strange posters on the walls, a lot to do with death or evil things." Subjects described other stores as "just one big room with hardly any decoration except for a few pictures of models wearing their clothing;" "atmosphere was bland, plain, outdated colors, design, etc.;" "looked like a trendy teen-age store;" and "the bright pink carpet and mirrors everywhere made one dizzy and self conscious."

Concepts/ideas coded as Visual merchandising and Disarray were each mentioned by 13 subjects for 19 and 15 mentions respectively. Concepts/ideas coded as Visual merchandising were crowdedness, too much merchandise, unappealing displays, lack of displays, and poor fixturing. Comments coded as Disarray were messiness, merchandise on floor, and merchandise not folded or stacked. Examples of subjects' descriptions were "messy clothes everywhere, not put back on shelves, just put wherever;" and "The store was a disaster, especially the junior dept. Too much stuff packed on top of its self, making it seem cluttered and hard to find anything." Several more descriptions included comments about the difficulty of finding merchandise: "It was

difficult to look or find anything appealing because there was so much stuff." Again, "It made it difficult to locate things and it made things look cheap. I didn't hardly stay in the store."

Table 4
Frequency Distribution of Characteristics of Store Appearance

Characteristic	Respondents n	Respondents %	Mentions n	Mentions %
Organization	20	23	25	20
Cleanliness	14	16	26	21
Visual Merchandising	13	15	19	15
Disarray	13	15	15	12
Interior Design	12	14	22	18
Structure	9	10	9	7
Light	5	6	6	5
Signage	2	2	3	2
Total	88		125	

Of the subjects who had left a store without buying, 38 (80.9%) indicated that they had never returned to shop at this store. The mean satisfaction score for the aborted shopping experience was 1.56 (1=not at all satisfactory; 5=completely satisfactory). Over half (54.2%) of the subjects reported that their aborted shopping experience was not at all satisfactory; none reported complete satisfaction. To compare the overall satisfaction of subjects who indicated they had returned to shop at the store and those who had not returned, a t test was conducted. A significant difference was found (t=-3.815, df=45, p .001). The mean overall satisfaction score for subjects who had not returned to the store to shop was 1.37 compared to a mean satisfaction score of 2.22 for those who had returned to shop. That is, return shoppers were significantly more satisfied with their initial aborted shopping experience than were shoppers who did not return.

Finally, chi-square analyses were used to investigate differences in satisfaction by the eight store appearance variables. Satisfaction was recoded into 3 categories by combining responses of 3, 4, and 5 into a single category for analysis. Among the eight variables, only Interior Design was significant (chi-square=5.87, df=2, p .05).

Table 5 reveals that among subjects who were not at all satisfied with their aborted shopping experience, 81 percent mentioned Interior Design in their written descriptions of the physical appearance of the store compared to only 19 percent of those who did not mention Interior Design. Of those who were most satisfied with their shopping experience (satisfaction = 3, 4, or 5), 75 percent did not mention Interior Design in their written descriptions of the store compared to only 25 percent who did mention Interior Design.

Table 5
Chi-square Analysis of Satisfaction by Interior Design Satisfaction

Mentioned Interior Design	1	2	3	Total
Yes	21	14	1	36
Row %	58	39	3	
Column %	81	78	25	
No	5	4	3	12
Row %	42	33	25	
Column %	19	22	75	
Total	26	18	4	48

DISCUSSION

This study explored the aspects of the interiors of retail stores which caused shoppers to leave the stores without buying anything. Those subjects from suburban environments were found to be more likely to leave without buying anything because of the appearance of the store than those from urban or rural areas. The majors of the subjects appeared to have a significant effect on the exit behavior as well. Home economics and business majors were more likely to leave stores without buying anything than not to leave the store without buying anything. Engineering and forestry majors, on the other hand, were more likely not to leave the store without buying. As could be expected, those subjects who were least satisfied with the shopping experience reported were significantly less likely to have returned to that store than those who were more satisfied. Those who mentioned the concepts/ideas coded in the category of Interior Design, which were color, decoration, floorcoverings, walls and art, and

outdatedness, were more likely to be dissatisfied with the shopping experience than those who did not.

As an exploratory study, the present study lends insight into exit behavior among consumers whose reason for leaving stores was the appearance of the store. The number of mentions of certain elements of retail interiors, such as Organization, Cleanliness, Disarray, Interior Design, and Visual Merchandising, can provide insight for retailers and retail interior designers about which elements of stores are noticed by consumers. It should be noted that some of the elements, such as Disarray, may not be the result of design so much as of personnel policies such as hiring too few employees to allow time for them to straighten up messes left by customers.

A limitation of this study is that it included only those who had had a negative shopping experience. Further research should explore the elements of retail interiors which appear to draw customers into a store and which contribute to satisfaction with the shopping experience. It should be noted that it may not always be desirable to design stores in which customers notice the design. It could be argued that the most successful retail store designs are those which allow customers to appreciate the merchandise and not the facility itself.

Types of retail stores could be targeted for research. For example, certain types of retail establishments may elicit more affective reactions from customers than others. A convenience store, if it provides the consumer with the required gallon of milk, may not be evaluated as critically as would be an expensive apparel store.

Researchers might study special markets, such as the elderly, consumers with children, or the youth market to explore differences in responses to store interiors among various populations. Expectations about a shopping experience could also be studied in relation to the confirmation or disconfirmation of those expectations.

The various aspects of retail interiors identified by the researchers from the responses to the open-ended question in this study could be utilized in further studies in order to extend and refine the categories. Further research should be conducted in order to clarify which aspects of the interiors of retail stores are noticed by consumers, perhaps by means of exit surveys. Another useful study could utilize two outlets of the same retail chain in the same city or region, one which has been remodeled recently and the other which has not been remodeled. Comparing consumer satisfaction, time spent, and purchase behavior in stores which stock similar merchandise and have similar personnel policies could provide insights into the effects of the interior environment on shopping behavior.

Those who make decisions about the remodeling of retail facilities currently have little empirical data on which to base their decisions and therefore must operate intuitively. Further studies, both empirical and qualitative, which explore the relationship between consumer behavior and the appearance of retail stores will inform those decisions.

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WHY DO THEY WHINE?: AN EXAMINATION INTO THE DETERMINANTS OF NEGATIVE AND POSITIVE WORD-OF-MOUTH

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ABSTRACT

This research explores the impact of the evaluation of a range of benefits on WOM. Utilizing longitudinal data collected from an upscale health and fitness resort/spa, we examined, among satisfied consumers, how perceptions of benefit performance influenced how much negative versus positive WOM and the strength of negative and positive WOM the consumer engaged in after their resort stay. We also looked at whether men and women vary in their WOM activity. From our analysis we determined that consumers with low levels of symbolic benefit performance engaged in stronger negative WOM despite high reported levels of satisfaction. In contrast, hedonic benefit performance was the best predictor of strong positive WOM.

INTRODUCTION

Word-of-mouth (WOM) communication has been shown across many contexts to influence choice and purchase decisions (e.g. Richins 1983; Brown and Reingen 1987). Because of its importance, numerous studies have examined the link between satisfaction and WOM (e.g. Westbrook 1987; Swan and Oliver 1989; Anderson 1998). Satisfaction appears to be the prevalent antecedent to WOM that is studied. Some authors, however, have examined the relationship between other factors and WOM. Factors that have been examined include involvement (Dichter 1966) and the benefits of social exchange (Brown and Reingen 1987). As with the two latter studies, we want to look beyond satisfaction to assess the impact of different types of benefits on WOM. Specifically, we focus on a set of consumers that were satisfied with a consumption experience to examine the impact of a range of benefits on negative and positive WOM. For example, a firm might determine there is a positive connection between satisfaction and positive WOM, but they might not know what about their product, or service, drove the positive or negative WOM. By examining a range of benefits we can gain insight into the drivers of WOM. We are also interested in examining if men and women differ in their use positive and negative WOM.

The purpose of this research is to better our understanding of what drives negative and positive WOM. Utilizing longitudinal data collected from an upscale health and fitness resort/spa, we develop a typology of benefits and then test it's ability, along with disappointment and delight, to predict positive and negative WOM. From our data, we are able to obtain expectations of consumers anticipating a major consumption experience, and then re-contact them afterwards, at two points of time, to measure their perceptions of benefit performance and WOM activity.

RESEARCH CONTEXT

The study utilized guests from a world renowned, full-service, destination health and fitness resort/spa in the Southwest. The resort/spa is all-inclusive. It is unusual for the guest to incur any expenses outside of the resort/spa; guests rarely leave the premises with the exception of an occasional tour provided by the resort/spa. The average daily cost of a stay was $558 for guests participating in this study. Guests attend the resort/spa for a large variety of reasons, ranging from fun, rest, or relaxation, to more health related reasons such as stress reduction, improved fitness or diet, smoke cessation, or injury recovery. The resort/spa's promotions emphasize that even if a guest's motivation for a visit is to meet a life enhancement goal (lose weight, quit smoking, etc.) it can be accomplished in an environment that provides pampering, relaxation, and fun. The resort/spa offers a wide range of services including medical evaluations and preventive health services, behavioral and self-management counseling, nutrition education, spiritual growth, movement therapy, exercise physiology, massage and body therapies along with skin care and beauty services. To promote healthful living, meals at the resort/spa are low fat and no alcohol, or soda, is served. Healthful living is promoted in an environment that also can provide luxury. Accommodations at the resort/spa range from a standard room containing a bedroom

and bathroom to luxurious fully self-contained haciendas. The overall ambiance reflects the resort/spa's emphasis on fitness for the mind, body and spirit.

CONCEPTUAL BACKGROUND

Types of Perceived Benefits

To examine the role of a range of benefits on WOM, we propose a typology of consumption benefits that encompasses the consumption experience. Currently, in the marketing literature, functional attributes of both products and services are frequently used to evaluate the consumption experience (cf. Parasuraman, Berry, Zeithaml, 1988; Cronin and Taylor, 1992). As a broad perspective, Woodruff, Cadotte, and Jenkins (1983) have proposed including effort and social approval along with functional attributes. Emotions have also been shown to be important (Mano and Oliver, 1993). Drawing from these multi-benefit perspectives, we propose a typology of benefits that can be utilized by consumers to assess the consumption experience.

To develop the typology of benefits, we consider what needs consumers seek to fulfill. Park, Jaworski and MacInnis (1986) proposed that consumers have three basic categories of needs: *functional, symbolic, and hedonic.* Functional needs are externally generated needs that solve a consumption-related problem. Functional needs are motivated by such concerns as health, comfort, safety, and specific problem solving. To meet such needs, a marketing organization provides corresponding benefits to the consumer. For a health and fitness resort/spa, for instance, comparable benefits might be availability of medical tests, comfortable accommodations, lighted walkways, and weight-loss programs, respectively.

In contrast to functional needs, symbolic needs are internally generated. Social meaning, rather than functional utility, motivates the need (Solomon 1983). A product or service that carries symbolic meaning conveys that meaning to both the individual and to others. For example, taking an extravagant vacation is conveying to the consumer and to others that the consumer has achieved a certain financial status and also rewards the consumer for that goal. Analogous symbolic benefits are conveyed at the resort/spa through promotional and publicity efforts. A recent resort/spa newsletter gives "writing postcards to jealous friends" as one of a 101 ways to enjoy visiting the resort/spa. Realizing the consumption experience, and sharing it with envious friends, represent a potential symbolic benefit for guests.

The resort/spa also takes full advantage of publicity opportunities. It is often host to writers from major U.S. and European magazines, or newspapers, who wish to write about the resort/spa. The exclusivity of the resort/spa and a list of which celebrities have been known to visit the resort/spa are usually mentioned in published articles. In fact, the "who's who" at the resort/spa is often given precedence over discussion of other benefits one could receive at the resort/spa.

Experiential/hedonic needs comprise the third type of consumer needs. Like symbolic needs, they are internally generated. Experiential needs include the need for pleasure, variety and cognitive stimulation (Holbrook and Hirschman 1982; Park, Jaworski and MacInnis 1986). The health and fitness resort/spa may meet this type of need by providing personal services such as massages, entertainment activities such as movies, or a broad array of dining choices.

The services literature suggests another major category of needs: service delivery. Within the service quality literature, Parasuraman, Zeithaml, and Berry (1988) have developed SERV-QUAL to classify potential service delivery benefits. They identify reliability (dependability and accuracy), responsiveness (willingness and/or readiness of employees to perform the service), assurance (knowledge, courtesy, inspiration of trust and confidence), empathy (caring, individualized attention), and tangibles (physical elements such as facilities, equipment, employees' appearance) as determinants of quality. Continuing the example, corresponding benefits might be five-star hotel service, luxurious facilities, caring service providers, or efficient service delivery. Whether consumers receive all, or some, of these benefits will likely affect their evaluation of the consumption experience. An important consequence, to the marketer, of a consumption experience is WOM.

WOM

WOM refers to informal communications directed at other consumers about the usage of particular products or services concerning evaluations of goods and services (Westbrook 1987). WOM is very important to marketers because it can be a major potential source of future business. For example, Brown and Reingen (1987) find that the choice of a medical professional is greatly influenced by WOM. Anderson (1998) suggests WOM is either neutral, positive or negative. Positive WOM includes relating pleasant experiences, making recommendations or conspicuous display. Negative WOM includes product or service denigration and relating unpleasant experiences. In this study we examine three aspects of WOM: amount of negative versus positive, strength of positive, and strength of negative WOM.

CONCEPTUAL FRAMEWORK

To assess how the various benefits might impact WOM activity, we examine whether the proposed benefit types (functional, symbolic, hedonic and service delivery) significantly impact the amount of negative versus positive WOM and the strength of the positive and negative WOM. We also include disappointment and delight as potential predictors of the various WOM measures.

Benefit Performance as Predictors of Negative and Positive WOM

Based on prior WOM studies, we would expect to find low benefit performance leads to mostly negative WOM. In contrast, we would expect that high benefit performance should lead to mostly positive WOM. The fact that our sample is limited to satisfied respondents might minimize this effect.

Although we have little literature to guide us, we expect to find that the relationship between negative and positive WOM and benefit performance will vary across benefit type. For example, given that positive WOM has been associated with conspicuous display (Anderson 1998) we should expect to find that high symbolic performance results in a significant increase of positive versus negative WOM and in the strength of positive WOM. Our participant observations also revealed the importance of symbolic benefits and the desire to talk about celebrities. During our two participant observations Tony Danza, Elle MacPherson and Mickey Rooney, were also at the resort. The importance of viewing celebrities was evidenced by the fact that celebrity viewing was a primary topic of conversation during hikes, exercise classes, and other activities we attended. Numerous conversations started with 'Did you know Tony (Elle or Mickey) was here?'

Disappointment and Delight as Predictors of Negative and Positive WOM

We anticipate that disappointment will lead to mostly negative WOM and that delight will lead to mostly positive WOM. Prospect Theory (Kahneman and Tversky 1979) suggests that outcomes coded as losses (disappointment) have a greater impact on evaluation than outcomes coded as gains (delight). Consistent with Prospect Theory, we would expect to find that disappointment leads to stronger negative WOM whereas the relationship between delight and the strength of positive WOM might not be significant.

Gender Differences as Predictors of Negative and Positive WOM

Along with examining the role of the various benefits on WOM, we examine whether there are differences by gender. Specifically, we thought, because of the upscale exclusive context, women might be more likely to use positive WOM to negotiate social status.

METHOD

Subjects

We conducted a longitudinal study over a ten-month period. It consisted of a total of seven stages: preliminary participant observation, pilot of pre-visit survey, pre-visit survey, pilot of post-visit survey, post-visit survey, a second participant observation, and a follow-up survey.

Subjects of the study were guests staying at the resort during the winter of 1995/1996. A total of

825 pre-visit surveys were sent out. Two hundred sixty-seven surveys were returned, representing a 32 percent response rate. The post-visit survey was sent to 267 resort guests that returned the pre-visit survey prior to their stay. A total of 218 responses, representing an 84% return rate were received.

The follow-up survey was sent, approximately six months later, to the 218 resort guests that returned the post-visit survey. One hundred seven surveys were returned within three weeks; 97 had complete enough information to utilize for this analysis. Of these guests, based on a 1 to 9 scale, 96% rated overall satisfaction as a 7, 8 or 9. As we were interested in examining the WOM behavior of satisfied guests we limited our analyses to the 93 guests that were relatively satisfied (7,8 & 9). Of these satisfied guests, 13% gave overall satisfaction a rating of 7, 24% gave a rating of 8 and 63% gave a rating of 9. Females represented 84% of the respondents; the remaining 16% were males. Age of the respondents ranged from 28 to 77; the mean age was 51. Thirty five percent of the respondents had never been to the resort before; guests with prior experience at the resort had visited an average of 3 times before. These demographics were judged to be representative of resort decision-makers by the resort's Vice President of Marketing.

Data Collection Process

Pre-visit Survey. The pre-visit survey was four pages in length. Guests were asked to fill out the survey and return it prior to their visit to the resort/spa. The survey provided the opportunity of capturing guests' expectations prior to the consumption experience.

Post-Visit Survey. While the guests were visiting the resort/spa, a post-visit survey was mailed to their homes. The purpose of this survey was to capture the guests' evaluations of overall satisfaction and the benefits they received during their resort stay. To measure satisfaction guests were asked, on a 1 to 9 scale (1 = very dissatisfied to 9 = very satisfied) "Overall, how satisfied were you?"

Follow-up Survey. The follow-up survey was sent, approximately six months later. Three WOM measures, from the survey, were utilized in this study. First, guests were asked if they had discussed their visit with others since leaving the spa. If they had discussed their visit, they were asked three additional questions: "How would you describe what you have told others about [xxx]?," "If you have shared any positive information about [xxx] with others, how positive would you rate the information?" and "If you have shared any negative information about [xxx] with others, how negative would you rate the information?" Responses for the first question were collected on a five-point scale with 1 representing all negative, 3 represented some negative and some positive and 5 represented all negative. The final two questioned were also collected on five-point scale with 1 representing barely positive (negative) and 5 very positive (negative).

Developing Relevant Benefit Measures

A pilot of the pre-visit survey was sent to guests prior to their visit at the resort/spa in the fall of 1995. Benefit measures for use in the pre-visit survey were assessed in the pre-visit pilot survey. The benefits were guided by the proposed typology and developed from guest comments made to the researchers during a 3-day participant observation study, input from the Vice President of Marketing, interviews with resort/spa employees, and perusal of the resort/spa's promotional literature and video. Within the resort/spa context we identified thirty-one items that represented numerous service delivery, functional, hedonic, and symbolic benefits.

Service Delivery Benefits the resort/spa tries to provide include service delivery issues that map onto SERV-QUAL's dimensions. The benefit items utilized included: provide prompt service and aid in helping guests pick activities (responsiveness), services that are available when guests request them (reliability), caring and individualized attention (empathy), 'five-star' service (assurance) and extensive facilities and luxurious accommodations (tangibles). SERV-QUAL dimensions address these measures as potential benefits.

Functional Benefits that the resort/spa offers address both mental and physical well being.

These include low-fat cooking classes, stress management workshops, art therapy, yoga, fitness consultations, counseling and physical therapy, all of which address guests' functional needs. The pilot pre-visit survey contained the following items: make lifestyles changes, educate themselves about their mind or body, improve a mental or physical problem, get started on a fitness regimen, lose weight, and explore alternative healing methods.

Hedonic Benefits reflect the experience the guest had during their stay; they fulfill internally generated hedonic needs. Hedonic benefits identified for the pilot pre-visit survey included: have fun during the stay, feeling good and enjoying myself, becoming refreshed and renewed, being in surroundings that inspire or motivate, participating in a wide range of fitness activities, feeling rewarded, experiencing a variety of personal services (e.g., as massages, body wraps, or facials), being in beautiful natural surroundings, feeling like I am treated royally, and feeling pampered.

Symbolic Benefits result from the exclusivity of the resort/spa. Symbolic items on the survey included: be around guests that are interesting, have an experience my friends will envy, see a celebrity during my stay, and have an experience that I want to tell my friends about. In the following section we discuss how these items were utilized to form benefit scales.

ANALYSIS

Prior to testing how the various benefit types impact WOM, several variables must be calculated based on survey items: delight and disappointment and benefit performance. Benefit deviations were computed by subtracting expectations from perceived benefit performance then weighting by reported importance. The computed deviations were identified as either positive or negative and then summed to form a measure of positive deviations and a measure of negative deviations. These two measures capture the constructs of disappointment and delight.

Four variables representing benefit performance, one for each benefit type (hedonic, service delivery, symbolic and functional), were developed. To develop these benefit types, a factor analysis was performed on the benefit measures. From the factor analysis, hedonic, functional, service delivery and symbolic benefit inputs were determined. Scales for the various benefit types were developed by summing the benefit items multiplied by their factor loadings. The scales for hedonic (α = .7967), functional (α = .7999) and symbolic benefits (α = .7188) demonstrate better reliability than expected, given the nature of these items. The scale for service delivery is also acceptable (α = .6683). We reviewed the benefit scale items with the resort's vice president of marketing to ensure we were capturing the full range of benefits within in each benefit type. The developed benefit scales were utilized as independent measures in the analysis.

Model Testing

We have three dependent measures: the valence of the WOM (all negative = 1 to all positive = 5), the strength of positive WOM (barely positive = 1 to very positive = 5) and negative WOM (barely negative = 1 to very negative = 5). Hedonic performance, functional performance, symbolic performance, service delivery performance, disappointment and delight are the independent measures. Simultaneous regressions were performed to assess the significance of the various benefits, disappointment, and delight on WOM.

First, we looked at the predictors of the amount of negative versus positive WOM. Our results reveal that hedonic performance is the only significant predictor of negative versus positive WOM (t = 2.30; 0.023). To further illustrate, the ten guests with the highest hedonic performance scores shared mostly positive information (4.83; all negative = 1 to all positive = 5) compared to the guests with the lowest hedonic performance evaluations (3.5; all negative = 1 to all positive = 5). Likewise, hedonic performance is the only significant predictor of the strength of positive WOM (t = 2.09; 0.034).

Differences emerge when we examine what benefits predict strength of negative WOM. Symbolic performance (t = -2.15; 0.031) and disappointment (t = -2.89; 0.003) are both significant predictors of the strength of negative WOM. Further analysis shows that the ten guests

Results of Factor Analysis

Performance	Functional	Hedonic	Symbolic	Service delivery
Problem	**.72419**	-.03553	.08183	.23711
Lifestyle	**.77248**	.04099	.17872	-.00997
Healing	**.65206**	.04942	.03107	-.04308
Discover	**.62114**	.16209	.14159	.01768
Educate	**.67017**	.30743	-.04120	.09441
Fitness	**.59174**	.21927	.25367	.00377
Caring	.25424	**.48950**	.02208	.23070
Enjoy	-.10632	**.65406**	.11550	.16171
Wide	.11060	**.46988**	.22962	-.25282
Natural	.17503	**.66551**	-.09146	.15165
Pamper	.24412	**.51559**	.20181	.34248
Reward	.19938	**.56242**	.45782	.00652
Inspire	.19995	**.54822**	-.06878	.21130
Envy	.17458	.00755	**.78892**	.10891
Exclusive	.12966	.08280	**.62746**	.25241
Guest	.11133	.12756	**.60021**	.01223
Tell	.08292	.06643	**.67669**	.21844
Luxury	.04104	.10680	.07381	**.72989**
Fivestar	.19967	.18516	.00533	**.54347**
Appt.	-.10546	.23137	.26015	**.47800**
Delay	-.14515	.18782	.09637	**.65024**
Effort	.12697	-.12558	.19021	**.50507**

Negative Versus Positive WOM

	Coefficient	t-value	Significance of t
Hedonic	0.290	2.30	.023
Symbolic	0.150	1.44	.152
Service delivery	0.094	0.79	.431
Functional	0.054	-0.56	.578
Disappointment	0.200	1.63	.104
Delight	-0.046	-0.49	.627
$R^2 = 0.32$			

Positive WOM

	Coefficient	t-value	Significance of t
Hedonic	0.270	2.09	.028
Symbolic	0.031	0.29	.973
Service delivery	0.160	1.35	.187
Functional	0.065	-0.66	.562
Disappointment	0.140	1.19	.237
Delight	0.093	0.98	.325
$R^2 = 0.29$			

Negative WOM

	Coefficient	t-value	Significance of t
Hedonic	0.110	0.79	.314
Symbolic	0.240	-2.15	.031
Service delivery	0.200	-1.60	.106
Functional	0.079	0.79	.533
Disappointment	-0.360	-2.89	.003
Delight	0.140	1.48	.188
$R^2 = 0.27$			

with the lowest symbolic performance scores were very negative about any negative comments (2.73; barely negative = 1 to very negative = 5) compared to the ten guests with high symbolic performance (1.33; barely negative = 1 to very negative = 5). Likewise, the ten guests with the highest level of disappointment were more negative (2.77; barely negative = 1 to very negative = 5) compared to the ten guests with lowest level of disappointment (1.57; barely negative = 1 to very negative = 5).

Gender Differences as Predictors of Negative and Positive WOM

Prior to testing for gender differences with WOM, we examined whether there were differences in benefit performance, disappointment, or delight. We wanted to ensure any WOM results were a function of gender and not differences in actual benefit performance, disappointment or delight. We conducted a

MANOVA analysis. We found that there were no significant differences in the level of benefit performance, disappointment or delight by gender (Pillais F-Statistic = 1.189; Significance of F = .321)

We could now test whether differences in WOM could be attributed to gender. Again, we utilized MANOVA. Valence of WOM, strength of positive WOM and strength of negative WOM were the dependent measures. Gender was the independent measure. We expected to find that women were more likely to engage in positive WOM. This idea was supported. Women engaged in a significantly greater amounts of positive versus negative WOM (4.42 compared to 3.50; 1 = all negative 5 = all positive). The strength of the positive and negative WOM, however, did not significantly vary by gender.

Gender:	Men	Women	F-Statistic	(p-value)
Positive Vs. Negative WOM	3.50	4.42	9.315	.003
Positive WOM	4.75	4.66	0.141	.709
Negative WOM	1.75	1.81	0.018	.892
Full Model (Pillais):	Degrees of Freedom: 3			F: 5.75
	Significance of F: .002			

DISCUSSION

Our analysis showed that hedonic performance was the only benefit that significantly predicted the amount of negative versus positive WOM and the strength of the positive WOM. We had anticipated that symbolic benefit performance might significantly impact strength of positive WOM given the interest in celebrity viewing and numerous comments about the exclusivity of the resort. We did not, however, find this result. The importance of symbolic benefits to WOM becomes apparent when we examine the link from symbolic benefits to the strength of negative WOM. An interesting finding of the study was that symbolic performance significantly influenced the strength of negative WOM. In other words, guests that did not report high levels of symbolic benefits engaged in very negative WOM despite the fact that they reported they were satisfied with the resort experience. Our results show that guests can be satisfied with a consumption experience and still engage in negative WOM if they did not feel they received high levels of symbolic benefits. These results provide evidence that delivering symbolic benefits are very important and should not be overlooked by the marketer.

The finding that disappointment leads to stronger negative WOM while delight has no significant impact on the strength of positive WOM was expected. It is interesting, however, given that we limited our analysis to satisfied guests. A finding that came out contrary to our expectation was that disappointment did not lead to significantly more negative, versus positive, WOM. It appears that if guests' expectations were not met, they did not decrease the balance of positive versus negative comments but the negative comments were significantly more negative than if expectations were met.

Implications

Practical implications that can be drawn from the study are that marketers should not assume that if guests are satisfied that no negative WOM will occur. Within our upscale context, there was stronger negative WOM if symbolic benefit performance was low. These results show that satisfaction is not enough. Marketers must make every effort to provide the benefits that will limit negative WOM. Marketers must examine benefit performance along with satisfaction to gain a better understanding of what drives negative and positive WOM.

Future research should examine the role of hedonic, symbolic, service delivery and functional performance on WOM over a range of contexts. In other contexts, or with other consumers, the significance of the four benefit types in predicting negative and positive WOM might vary. The fact that we found women engaged in more positive, versus negative, WOM should be tested for it's generalizability beyond a high status vacation context. We would expect results to vary by the status associated with the product or service.

CONCLUSION

This study clarifies our understanding of the impact of range of benefits and disappointment and delight on WOM among satisfied consumers. Our

results provide insight into what drives WOM and WOM differences across gender. Our results show that women engage in more positive WOM. Most importantly, our results suggest managers can not overlook the importance of providing symbolic benefits, even if satisfaction is high, because not providing these benefits results in negative WOM.

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ELDERS' SATISFACTION WITH COMMUNITY BASED HEALTH CARE SERVICES

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ABSTRACT

Using a sample of 165 disabled elders, aged 50 and over, receiving in home formal care giving, we estimate satisfaction with community based services and compare two different dependent variables. The first is a measure of the probability of being "very satisfied" and the second is the concept of a satisfaction GPA (grade point average). The models perform similarly. Controlling for health and other socio-economic variables, we find that communication, courtesy, and reliability of caregivers have the greatest impact on satisfaction.

INTRODUCTION

Patient satisfaction with health care is dependent on the interaction of the patient, the provider, and the health care system (Swan, 1992; Riley, 1994). The interactions in this system are important at all levels of health care, but have a particular importance to elders, who, because they have more medical problems, are a group that is greatly affected by changes in medical service provision (Ory, Cooper and Siu, 1998). Both providers of services and consumers of services must play an active role in increasing the value of services provided in a changing health care environment. There are many ways to measure the value of these services, ranging from supply side measures of cost containment and decreases in the number of days lost to employers due to ill health, to demand side measures including improved functional status, reduced need for health care utilization, and client satisfaction (Sofaer, 1998). This study focuses on client satisfaction as a measure of value in the provision of community based health care services.

Unfortunately, consumers of health care services are often included only as a minor component of outcome measures of health care quality (See, for example, Zinn and Mor, 1998 and Wholey, Burns, and Lavizzo-Mourey, 1998 for overviews). However, Rodwin (1994) points out the need for increased medical consumerism in shaping the quality of medical service provision, and Steele (1992) summarizes the role of the consumer in shaping health services to meet the needs of both providers and consumers:

> In order to provide health services which are responsive to consumers' needs, those organizations whose role it is to purchase, provide, or assess health services have a duty to carry out consumer appraisal work. Consumers are experts. They are experts on their own priorities, their own needs, and their own experiences, and they should be consulted as should any other expert group (p. 37).

LITERATURE REVIEW

Researchers who empirically examined consumer satisfaction with health care have suggested that satisfaction is influenced by aspects of care that are specific to the health care experience (Abramowitz, Cote, and Berry 1987; Cleary and McNeil 1988; de Ruyter and Scholl 1994; Doering 1983; Russell 1990; Strasser, Aharony, and Greenberger 1993; Ware and Snyder 1975; Woodside, Frey, and Daly 1980), and that consumers are able to form summary measures of their satisfaction based on their satisfaction with components of care (Aharony and Strasser 1993; Kolodinsky 1997; Luft 1981; Strasser, Aharony, and Greenberger 1993).

Having reviewed some of the earlier (pre 1975) literature in the area of patient satisfaction, Luft (1981) characterized satisfaction as being related to access, availability of resources, continuity of care, information transfer, humanness, and quality. Higgins et al. (1991) suggest ten dimensions of quality that are specific to Health Maintenance Organizations (HMOs), that are also applicable to any community based health care provision: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, knowing the customer, and tangibles, such as written communications and billing procedures. Others have identified

attributes of health care such as accessibility, quality and continuity of care, as well as communication with the care provider as important in shaping consumer satisfaction (Russell, 1990; Buller and Buller, 1987).

Some researchers have focused specifically on the process of health care delivery (distinct from the physical outcome) as being a major influence on consumer perceptions of satisfaction with medical services (Buller and Buller 1987; Street and Wiemann 1987; Woolley, Kane, Hughes, and Wright 1978). Swan (1992) has suggested that the formation of patient satisfaction perceptions is based on a reciprocal process that is influenced by both the consumer and provider of medical services. This is an extension of the expectation/disconfirmation model (Cardozo 1965; Oliver 1989), and is complementary to the work of Woodruff et al. (1983) who assert that consumers develop a set of experience based norms on which they judge whether expectations are disconfirmed. It is Swan's (1992) proposition that "patient expectations and standards for performance are negotiated as health care providers attempt to change unrealistic patient expectations/performance standards" (p. 69).

Few studies specifically examine the satisfaction of older patients. Furthermore, "most patient satisfaction studies have been undertaken in outpatient departments...There has, however, been a recent shift towards including other, more vulnerable groups, such as the elderly...This trend has been fueled by the move toward care in the community..." (Owens and Batchelor, 1996, 1484). While Kolodinsky (1997) found that older persons were less satisfied with a move to managed care health systems, Owens et al. (1996) conclude that elderly consumers are particularly more likely to be satisfied with their care. Beisecker (1988) attributes this to his finding that older people are more likely to "put themselves completely in the hands of the doctor" (See also, Beisecker and Beisecker, 1996). There is other evidence, however, that indicates elders are interested in taking an active role in their health (Ory and de Friese, 1998; Sofaer, 1998).

Lee and Kasper (1998) examined the probability of being highly satisfied (versus generally satisfied) with medical care among a sample of Medicare recipients who live at home. Logistic regression results indicated that predictors of being highly satisfied include increased education and income, while those in poorer health were less likely to be highly satisfied. In addition, technical skills of the care provider were more important than interpersonal skills, and frequency of contact increased the probability of being highly satisfied. Blazer, Landerman, Fillenbaum, and Horner (1995) compared satisfaction with health services between 4,001 rural and urban North Carolinians ages 65 and older. Satisfaction was measured using a 4-point Likert scale, where one represented "very dissatisfied" and four represented "very satisfied." Similar to Lee and Kasper (1998), OLS regression results indicate a positive association between education and satisfaction. Further, Blazer et al. (1995) also found that those in better health were more satisfied with their medical care. Although satisfaction varied by county, there were no significant differences between urban and rural samples. These two studies treated the dependent variable, which was measured on the same scale, differently. While the former categorized satisfaction, the latter treated satisfaction as a continuous variable.

In general, literature on consumer health care satisfaction does not examine community based services, and often fails to differentiate between special populations. "Elderly people cannot be viewed as a homogeneous group with similar needs and capacities" (Owens and Batchelor, 1996). As community based care continues to play a large role in the struggle of older Americans to age in place, more studies need to be conducted to measure elder satisfaction with these services. Of special importance is the use of community services by older Americans in rural areas. Community care services include: medical home health care, high technology care, meals (both home delivered and congregate), homemaker, personal care, senior companion and peer counselor services, adult day care, financial services (supplemental security income, aid to families with dependent children, food stamps, and prescription insurance), and other services (emergency lifeline, fuel assistance and weatherization). This is a trend toward community coalition systems and managed care being developed to insure delivery of quality care.

Whether these new health care arrangements will result in client satisfaction must be ascertained. This study is significant as it incorporates characteristics of older consumers and their care, as well as aspects that characterize the health care system, in a multivariate analyses that predicts satisfaction with community care.

MODEL AND DATA

Use of multivariate statistical methodology allows us not only to identify the direction and magnitude of the effect of each component of quality measured, but also allows us to identify whether and how various socio-economic factors themselves influence overall satisfaction with community based care. Thus, we can look at relationships within a system of care.

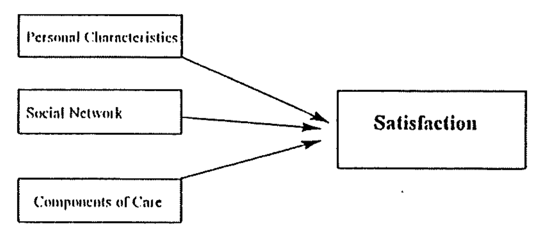
Data

Telephone interviews were conducted in the fall of 1997 with disabled persons who use community services in a rural northeastern state. (The state Department of Aging and Disabilities provided a list of clients.) In addition to extensive measures of their functional and cognitive health status, information on their satisfaction with services as well as on their quality of life was collected. A five-point Likert scale, ranging from A to F, where A represented "very satisfied" and F represented "very dissatisfied," was used to measure satisfaction. Using this scale, we were able to calculate a "satisfaction GPA" grading system. (See, for example, Blazer et al., 1995.) Based on studies by Russell (1990), Buller and Buller (1987), and Higgins et al. (1991) which indicate dimensions of medical care that impact satisfaction, the components of community services that were measured include: accessibility to services, communication, courtesy, involvement, reliability, and overall quality of care. If the client was unable to respond due to his/her health, a proxy other than the formal care provider completed the interview.

Our focus lies on older Americans, and thus the sample was limited to those ages 50 or older based on the minimum age requirement for membership in American Association for Retired Persons (AARP). These individuals comprised 66% of the original 298 completed questionnaires. The final sample size was 197; however, missing data decreased the sample size to 165. Client satisfaction with community based care was matched with the State's "Independent Living Assessment" data base. All respondents were covered by Medicare A, and 34% were on the state Medicaid Waiver Program. None of the respondents had Medicare B coverage, and information on long-term care insurance was incomplete for a portion of the sample.

The independent variables that measure characteristics of the client are categorized into the following four categories: Demographic Factors, Economic Factors, Social Network, and Health. See Figure 1.

Figure 1
Conceptual Model of Satisfaction with Community Based Care



Demographic factors include GENDER (1 = Male) and age of the elder (AGE). *Economic factors* include various measures of transfer income due in part to the finding that all respondents were unemployed or retired. TRANSFER equals one if the respondent receives food stamps, SSI, or fuel assistance on a monthly basis. INCOME is summation of monthly Social Security and retirement/pension payments. Thus, we also included a dummy variable, SOCONLY, if the "income" variable only includes Social Security payments. SOCINC is the interaction term of SOCONLY and INCOME. Variables in the *Social Network* category include URBAN and INFORMAL. URBAN is defined as any location within the only urban county in the state. INFORMAL equals one if the respondent has a primary informal caregiver (caregiver who does not receive monetary compensation for services). Various *health* measures include the number of

Table 1
Descriptive Statistics (N = 165)

Variable	Definition	Mean (S.D.)
Demographics		
AGE	Age in years (50 +)	75.99(11.58)
GENDER	1 = Male	24.85(.43)
Economic Factors		
TRANSFER	1 = Receipt of SSI, Food Stamps, or Fuel Aid	47.27(.50)
INCOME	Monthly Income from Social Security and Retirement Pension	$425.95 (343.95)
SOCONLY	1 = Receives income from S.S. ONLY	44.85(.50)
SOCINC	SOCONLY*INCOME	$256.45(322.52)
Social Network		
URBAN	1 = Resides in an urban area	15.15(.36)
INFORMAL	1 = Has primary informal caregiver	84.85(.36)
Health		
#ADL's	Number of ADL's	4.32 (2.56)
#IADL's	Number of IADL's	4.91 (1.57)
FALLEN	1 = Fallen in past 3 months	38.18(.49)
HEART	1 = Has heart problems	52.73(.50)
CANCER	1 = Has cancer	5.45(.23)
Satisfaction-continuous	GPA from a scale of "A" = 4 to "F" = 0	
ACCESS	Access to services	3.42(.98)
COURTESY	Courtesy of care providers	3.78(.56)
RELIABLE	Reliability of care providers	3.61(.71)
TALK	Communication of care providers	3.73(.64)
INVOLVED	Involvement of consumer in receipt of care	3.56(.82)
Satisfaction-very satisfied		
ACCESS	Access to services	64.80(.48)
COURTESY	Courtesy of care providers	83.00(.38)
RELIABLE	Reliability of care providers	72.10(.45)
TALK	Communication of care providers	81.20(.39)
INVOLVED	Involvement of consumer in receipt of care	70.90(.46)
Dependent		
QUALITY	Overall quality of care ("A" = 4, "F" = 0)	3.69(.65)
HIGHLY	1 = Highly satisfied with quality of care	76.00(.43)

Activities of Daily Living (ADL) (#ADLS) and likewise the number of Instrumental Activities of Daily Living (IADL) (#IADLS). Based on findings by Hobbs and Damon (1996) that heart disease and cancer are the leading causes of death in the 1990's, we included HEART (1 = Has heart problems) and CANCER (1 = Has cancer).

ACCESS, COURTESY, INVOLVED, RELIABLE, AND TALK are the components of care that influence overall measures of satisfaction with quality. We calculated both a GPA grade for these and also identified them by two categories where 1 = highly satisfied and 0 = less than highly satisfied. These dimensions of medical care

have consistently been found to impact consumer satisfaction (Luft, 1981; Higgins et al., 1991; Russell, 1990; Buller and Buller, 1987). ACCESS refers to the accessibility of services; C by the care providers for the client's privacy and personal belongings; INVOLVED is a measure of one's satisfaction with his/her involvement in the decisions made about the care received, as well as being fully informed about the procedures of the care; RELIABLE refers to being able to depend on the care providers to arrive at the scheduled time; TALK is defined as communication with the care providers. The sample characteristics are provided in Table 1.

Empirical Model

Respondents reported satisfaction with overall quality as a grade between F, for failing, and A, for excellent. This scale was used because the Department of Aging and Disabilities (DAD), for whom the original data were collected, wanted a scale that all elders were familiar with. Two focus groups, consisting of clients of community based services, providers of services, and representatives from DAD, confirmed the use of an "A through F" grading system. We calculated a "satisfaction GPA" based on client grading of quality.

To estimate the model, the dependent variable is the overall quality grade assigned by each respondent concerning the quality of their community based care, coded 0 for "F" through 4 for "A" (See, for example, Russell 1990, Buller and Buller 1987, Higgens et al. 1991, and Kolodinsky, 1997). The independent variables include the individual components that add to satisfaction and the controlling variables representing demographics, and socio-economic and health status. The estimated model is written:

$$\text{SATISFACTION GPA} = B_0 + B_1\text{ACCESS}^1 + B_2\text{ COURTESY}^1 + B_3\text{ INVOLVED}^1 + B_4\text{ RELIABLE}^1 + B_5\text{ TALK}^1 + B_6\text{ GENDER} + B_7\text{ AGE} + B_8\text{ TRANSFER} + B_9\text{ SOCSEC} + B_{10}\text{ INCOME} + B_{11}\text{ SOCINC} + B_{12}\text{ SOCONLY} + B_{13}\text{ URBAN} + B_{14}\text{ INFORMAL} + B_{15}\text{ \#ADLS} + B_{16}\text{ \#IADLS} + B_{17}\text{ FALLEN} + B_{18}\text{ HEART} + B_{19}\text{ CANCER} + \text{ERROR}.$$

[1]Measured using the "GPA" scale where "A" = 4 and "F" = 0.

Because in this case we treat satisfaction as being measured on an interval grade point scale, this model is easily estimable using Ordinary Least Squares Regression analysis.

Because we used a conventional measure, GPA, based on transforming reported alphabetic grades into a continuous measure, just as is done in the case of many school grades, and because the majority of respondents rated quality very high (there is little variation in the dependent variable), we also estimated satisfaction using a logistic regression model which uses the true, categorical nature of the dependent variable, overall quality. (See, for example, Lee and Kasper, 1988). For this second specification, the dependent variable is coded 1=highly satisfied (grade of "A") and 0 = less than highly satisfied (grade = "B," "C," "D," or "F"). The independent variables remain the same. The estimated equation is:

$$\text{HIGHLY SATISFIED} = \alpha_0 + \alpha_1\text{ ACCESS}^2 + \alpha_2\text{ COURTESY}^2 + \alpha_3\text{ INVOLVED}^2 + \alpha_4\text{ RELIABLE}^2 + \alpha_5\text{ TALK}^2 + \alpha_6\text{ GENDER} + \alpha_7\text{ AGE} + \alpha_8\text{ TRANSFER} + \alpha_9\text{ SOCSEC} + \alpha_{10}\text{ INCOME} + \alpha_{11}\text{ SOCINC} + \alpha_{12}\text{ SOCONLY} + \alpha_{13}\text{ URBAN} + \alpha_{14}\text{ INFORMAL} + \alpha_{15}\text{ \#ADL} + \alpha_{16}\text{ \#IADL} + \alpha_{17}\text{ FALLEN} + \alpha_{18}\text{ HEART} + \alpha_{19}\text{ CANCER} + \text{ERROR}.$$

[2]Measured as a dummy variable where 1 = "highly satisfied" and 0 = "less than highly satisfied."

RESULTS

For the OLS model, three of the five components of satisfaction with community based care are significant. See Table 2. Controlling for demographics, socio-economic and health factors, client satisfaction with courtesy of their formal caregiver, the reliability of their caregiver, and communication with their caregiver all contribute positively and significantly towards overall satisfaction with community based care. These variables, in fact, have the greatest effect on the satisfaction GPA, raising it between .2 and .3

Table 2
Results of the OLS and Logit Models

Variable	Definition	OLS Coefficient (S.E.)	LOGIT β Coefficient (S.E.)	Odds Ratio (exp(β))
Demographics				
AGE	Age in years (50+)	.003 (.004)	-.018 (.029)	.982
GENDER	1 = Male	.079 (.097)	-.614 (.801)	.541
Economic Factors				
TRANSFER	1 = Receipt of SSI, Food Stamps, or Fuel Aid	.111 (.085)*	2.144 (.833)**	.156
INCOME	Monthly Income from Social Security and Retirement Pension	.012 (.014)	.238 (.143)*	1.269
SOCONLY	1 = Receives income from S.S. ONLY	.095 (.177)	2.446 (1.718)	11.544
SOCINC	SOCONLY*INCOME	-.027 (.030)	-.494 (.299)*	.610
Social Network				
URBAN	1 = Resides in an urban area	-.325 (.115)***	-1.837 (.892)**	.159
INFORMAL	1 = Has primary informal caregiver	.203 (.114)*	1.960 (.929)*	7.099
Health				
#ADL's	Number of ADL's	.010 (.021)	.026 (.159)	1.026
#IADL's	Number of IADL's	-.007 (.036)	.217 (.311)	1.243
FALLEN	1 = Fallen in past 3 months	-.121 (.085)*	-1.104 (.662)*	.332
HEART	1 = Has heart problems	-.066 (.084)	-.596 (.718)	.551
CANCER	1 = Has cancer	-.136 (.172)	-1.863 (1.319)	.155
Satisfaction †	GPA from a scale of "A = 4 to "F" = 0			
ACCESS	Access to services	.034 (.051)	-.611 (.867)	.543
COURTESY	Courtesy of care providers	.262 (.078)***	1.519 (.785)*	4.568
RELIABLE	Reliability of care providers	.203 (.071)***	2.781 (.853)***	16.142
TALK	Communication of care providers	.298 (.073)***	2.878 (.902)***	17.762
INVOLVED	Involvement of consumer in receipt of care	.049 (.054)	1.509 (.974)*	4.520
CONSTANT		.214 (.421)	-5.945 (2.642)	

* = p-value < .10; ** = p-value < .05; *** = p-value < .001
† For OLS results satisfaction is a continuous variable, and for Logit results satisfaction is a dummy variable with 1 = highly satisfied.

points if courtesy, reliability, and communication were rated very satisfactory by the client.

Several other variables are significant, and help to paint a picture of how to improve client satisfaction with community based care. Clients who reside in urban areas and who have fallen in the three months previous to the interview were less satisfied with the overall quality of care. Clients with an informal caregiver and those with increased transfer incomes from sources including food stamps and fuel assistance, rate their overall satisfaction higher. The magnitude of these significant variables on the satisfaction GPA, is relatively large for the two factors that decrease

satisfaction (-.32 for URBAN and -.12 for FALLEN). Having an informal caregiver increases the satisfaction GPA by .2, and receiving transfer payments increases the satisfaction GPA by .1.

Overall, we can say that, other than for residing in an urban area, the components of care that influence satisfaction have the highest impact on overall perceptions of quality, holding all else constant. An overall improvement in communication, courtesy, and reliability of caregivers will cause the greatest rise in satisfaction by clients. These are variables representing the supply side of medical care. However, demand side variables also impact satisfaction. Individuals with a greater possibility of community contact (URBAN) and those who are possibly more frail (FALLEN) are important variables to consider when providing community based care. For rural elders, in contrast to urban elders, it appears that communication and contact with the outside world is an important component of the care received. Rural elders may be more satisfied overall because they enjoy the companionship of their care provider, whereas urban elders may only be concerned with the actual (medical) care that they receive. For more frail elders it seems that they are placing themselves in the hands of the care provider, as suggested by Beisecker (1988), and need more care than those who have not fallen. Figure 2. highlights how changes in significant independent variables impact the overall "quality GPA."

The logit results, which estimate the probability of rating care quality "A," show that four of the five components of quality care are significant. See Table 2. Courtesy, involvement with care, reliability of caregiver, and communication all significantly and positively impact clients' perceptions of overall quality. As with the OLS regression, clients who have fallen within the past three months, and those residing in urban areas are less likely to be highly satisfied. Clients who receive transfer income and who have an informal caregiver are more likely to be highly satisfied. The logit results have two additional significant variables as compared to the OLS results. Clients with higher incomes from sources other than Social Security have a higher probability of being very satisfied, while those with higher incomes from Social Security have lower levels of satisfaction. As suggested by Lee and Kasper (1998), perhaps clients who have additional sources of income do not feel disadvantaged, as people in lower socio-economic status may, and thus do not perceive their care as poor quality. On the other hand, clients who have no other resources with the exception of Social Security may be less satisfied because they have no other means of receiving care. They rely totally on community based care to insure them of an independent lifestyle. Thus, these people must receive the best care possible, and in turn are less satisfied. See Figure 1 for a depiction of how each independent variable affects being highly satisfied. Clearly, reliability and communication have the largest impact on overall ratings of quality of care. In fact, individuals who are highly satisfied with the reliability of the care providers are 16 times as likely to be highly satisfied with the overall quality of care. Similarly, individuals who are highly satisfied with the communication of the care providers are 17 times as likely to be highly satisfied with the overall quality of care.

These results suggest that, in general, the components of care have the largest impact on one's satisfaction with the care he/she receives. These findings are valid and are certainly not surprising. Any future improvements in the delivery of medical services need to concentrate on these areas. This study found that courtesy, reliability, and communication are the most important factors impacting satisfaction. Communication clearly relates to what Swan (1992) called the reciprocal process, where clients and care providers work together to improve communications. Courtesy may also be seen as a "two way street" in that a difficult client may make being courteous difficult for a provider. However, respect and courtesy on the part of the caregivers should be emphasized in service provision. Reliability is a "supply side" factor that can be controlled by the providers. This aspect should be given careful attention in the future as community based health systems continue to move toward managed care systems. This variable is a form of vie care when needed has been pointed to as a problem in managed care systems (Kolodinsky, 1997, Higgins et al. 1991, Russell 1990). A major issue in the delivery of

services to older Americans in rural areas is the accessibility of services (Harlow, 1993). Although rurality is commonly associated with access, ACCESS was not a significant component in the satisfaction ratings. Rural versus urban location, however, is a characteristic that affects satisfaction even after accounting for other, specific components of care. Thus, the variable RURAL measures something different than, for example, access or communication. This should be examined in future studies of satisfaction within community based health services.

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REACTIONS TO AND RETALIATION AGAINST UNSOLICITED E-MAIL (SPAM): A CASE STUDY

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ABSTRACT

This paper examines consumers' reactance and retaliation to unsolicited e-mail, or spam and to a "spam-like" non-commercial incident that provoked a similar consumer response to spam. Using ethnographic methodologies, we examine responses to spam and draw conclusions about the antecedents and consequences of spam. The extensive use of the Internet for all types of communication, regardless of commercial value, appears to generate many of the typical retaliatory responses that have been identified in the consumer complaining literature. Researchers will need to focus on the probable ratio of costs and benefits of such communications and on communication models that meet Internet-based objectives with minimum consumer disruption.

INTRODUCTION

Unsolicited commercial e-mail (UCE), commonly referred to as "spam," is a growing problem on the Internet. Suggesting that it shifts the costs of advertising from the advertiser to the consumer, some have argued that spam involves a theft of Internet resources (Everett-Church and Smith 1997). Others have said that it is at best an example of bad marketing because it is usually untargeted and is, therefore, likely to elicit strongly negative responses from its recipients (Wright and Bolfing 1997). However defined, the UCE problem is growing, with some analysts suggesting that 30% or more of all e-mail may be spam (Safdar, Smith, and Brower 1997).

How do consumers react to spam? Most recipients of spam do not want to deal with unsolicited e-mail. But anecdotal evidence suggests that while some complain, many do not because there is little they can do to stop the problem. Spammers often use false addresses, rendering complaints useless. This situation has created a large number of frustrated consumers with very negative attitudes toward spam and, increasingly, toward the Internet as a communications vehicle (Wright 1998). This article examines the effects of spam on those who receive it. It also looks at the pattern of responses spam tends to elicit.

The specific focus of this study is an event that occurred in September 1998--the unintentional spamming of the 600 plus members of Cougar-Net, an e-mail discussion group devoted to Brigham Young University (BYU) sports. Responses to this spamming episode preserved in the Cougar-Net archives provide a glimpse into the way consumers react to spam. In this case, the response was swift and devastating for the spammer who, perforce, came to appreciate the dangers of spamming.

While spam refers to unsolicited commercial e-mail and Cougar-Net and its subscribers have no commercial intentions, the authors use the term "spam" for this incident as well. This incident is wholly personal and not in any way commercial. And yet, the messages are offered as a free service to subscribers. The similarity to true spam lies in the responses generated to this spam-like problem. We believe the underlying response theories are the same and the costs associated with this unsolicited electronic communication are just as real as those generated from spam. As Internet use continues to grow, we will see more examples of reactions that cover both commercial and non-commercial contexts.

METHODOLOGY

Data

Several hundred fans of BYU sports participate in these discussions and hundreds of other fans read the messages but do not post comments to the site. Members of the list post messages at their own discretion and on their own timetable. Cougar-Net automatically echoes a copy of each post to all subscribed members and deposits a copy in the Cougar-Net archive which is open to public inspection by anyone with access to the World Wide Web <http://www.cougar-net.com/

archives.htm>. The data for this study were several hundred messages submitted to Cougar-Net between September 22 and September 26, 1998. In addition, using the following message, the first author solicited private messages describing how Cougar-Net members responded to the incident:

> [I] have been away from the computer for a few days... I just got back and noticed that Cougar-Net as been spammed by John Doe [anonymous names, hereafter referred to as "the spammer"]. I also research the Internet's reactions to such phenomena and I am curious: did any of you spam this address back? Or retaliate in anyway? If you did, please respond to me PRIVATELY (not to Cougar-Net) ... and tell me what you did.

In response to this request, Cougar-Net participants sent twenty-nine e-mail messages describing how they had reacted to the spam. These messages ranged in length from a few lines to several pages and also constitute part or the data for this study.

Studies that rely on textual data generated by an online community have several methodological and epistemological strengths. As Alicke et al. (1992) have pointed out, most empirical work on complaining relies on retrospective accounts of what people felt and did (see Wright and Larsen 1997 for an exception). Such accounts are inevitably distorted by memory lapses and efforts to present the self in a more favorable light. These distortions do not occur when data are collected online, for online data provide a first-hand, contemporaneous, and exhaustive account of the social interactions in question. Indeed, the social interaction may be nothing more than the set of words captured in the online archive, the Internet being the medium in which the interaction occurred. Such informant-generated texts are an important part of the data used in this study though retrospective data were also collected: the twenty-nine messages mentioned above that were sent to the first author to recount actions taken outside the confines of Cougar-Net. Finally, the data used in this study are open to public inspection, which means that readers do not have to rely entirely on an account of what was said that is filtered by. Thus, readers can assess, verify, and/or challenge assertions made in this article with authority comparable to that of the researchers who have assembled the data researchers (Larsen and Wright, 1997). To facilitate access to these messages, all cited messages are hyperlinked on a World Wide Web page located at the following address: <http://cob.jmu.edu/wrightnd/retaliation.htm>. And all messages, cited and uncited, are preserved in their original Cougar-Net context in the Cougar-Net archives, located at <http://www.cougar-net.com/archives.htm>.

Data Analysis

Interpretive data analysis methods (Hudson and Ozanne 1988) were used to evaluate the data collected for this study. In this case, society literally takes a textual form. Consequently, it is all the more appropriate that, as Ricoeur (1981), Scholes (1982), and others have urged, society be read as a text, hermeneutically, in an iterative process that produces a matrix of structurally corroborated interpretations (Pepper 1981).

REACTIONS TO SPAM

In this section, we provide extensive examples taken directly from the data for this study. We lay out the reactions to the spam in the list subscribers' own words. Then in the next section, we will analyze these statements.

Cougar-Net is an e-mail discussion list distributed to over 600 enthusiasts of Brigham Young University sports. The list is fairly active, often averaging over 100 messages per day. In late September, 1998, while surfing the web, one Internet user stumbled upon the Cougar-Net web site (http://www.cougar-net.com) and signed up for the e-mail discussion list. Shortly after signing up, he realized he couldn't handle the volume of e-mail he received. Not finding the introductory instructions for unsubscribing from the list, he set up an automated responding routine that automatically replied to each message sent by Cougar-Net. One example of this automated message is contained in Exhibit 1.

Unbeknownst to the new subscriber, this automated response was redistributed to the 600+ members of Cougar-Net each time a message was sent from the list. Before the list owners could

unsubscribe him, each of the over 600 Cougar-Net list members received 33 messages. The subscriber thus generated over 20,000 e-mail messages to members of the Cougar-Net online community. The result was that the Cougar-Net community felt "spammed," even though they were not hit with unsolicited commercial e-mails, the prototypical example of spam.

Exhibit 1
Example of Automated spam Message

PLEASE - PLEASE - PLEASE - PLEASE - PLEASE

take me off your address / mailing list

PLEASE - PLEASE - PLEASE - PLEASE - PLEASE

take me off your address / mailing list

PLEASE - PLEASE - PLEASE - PLEASE - PLEASE

take me off your address / mailing list

PLEASE - PLEASE - PLEASE - PLEASE - PLEASE

take me off your address / mailing list

PLEASE - PLEASE - PLEASE - PLEASE - PLEASE

take me off your address / mailing list

PLEASE - PLEASE - PLEASE - PLEASE - PLEASE

take me off your address / mailing list

PLEASE - PLEASE - PLEASE - PLEASE - PLEASE

take me off your address / mailing list

PLEASE - PLEASE - PLEASE - PLEASE - PLEASE

take me off your address / mailing list

PLEASE - PLEASE - PLEASE - PLEASE - PLEASE

take me off your address / mailing list

PLEASE - PLEASE - PLEASE - PLEASE - PLEASE

<rest of message deleted>

Cougar-Net Home Page: http://www.cougar-net.com
Other questions? Write to info@cougar-net.com

As it later turned out, the spammer was somewhat new to the Internet and unaware of the likely effect of his autoresponder and of "netiquette," the set of social conventions that generally guide the behavior of most experienced users of the Internet. Though his *faux pas* was unwitting, the response to his perceived spam attack was swift and severe. Many of the 600+ subscribers immediately retaliated against him.

Personal Responses

Not all responses of list members were punitive. Some simply sent the spammer a polite message explaining how to unsubscribe. Here is an example.

> Apparently your request to be unsubscribed to Cougar-net hasn't been processed by hand yet. Our list managers are trying to stay ahead of about a thousand messages a day, and they do this in their spare time. So, to spare your further annoyance, I thought you might like to know that there is a way to get yourselves off the list automatically... [Instructions for getting off list followed.]

The tameness of these responses may be explained in part by the fact that most list participants are members of the Church of Jesus Christ of Latter-day Saints, the "Mormon" church, which sponsors Brigham Young University. Based on their common membership in a relatively close-knit community, list members tend to feel an affinity for others who have an interest in the list. And, like other Christians, Mormons are taught to "turn the other cheek." Following this counsel, many of the 600+ subscribers to Cougar-Net did not respond in any way. So annoying e-mail messages don't necessarily lead to retaliation.

Not all private messages were worded politely, however. Several were quite hostile in tone. Here are three verbatim responses.

> Sending crap like this over 30 times to a list serve is BS. Go to the web address at the bottom of any post and FOLLOW THE DIRECTIONS to get off the list. All the hate mail you get you absolutely deserve. UNREAL.

* * * * *

> Enough already! Why can't you just ask to have your name removed and let it go? Why do you have to ruin the day for 600 other people? MY GOSH, GET A LIFE!

* * * * *

> If you want to unsubscribe, read the damn instructions appended at the bottom of each post! People like you shouldn't be allowed to contribute to the gene pool!

Others offered the following retrospective descriptions of their messages to the spammer.

> I asked if they were born stupid or developed that trait with practice.

* * * * *

> My articulately worded response pegged him as a spam-spewing moron.

* * * * *

> I wrote them a pretty mean email telling them they were idiots and people like them shouldn't have a computer. Something to that effect, at least.

It is possible that other, more coarse responses were sent to the new C-Net subscriber but not passed on to the researchers. Commenting on the messages he received, the spammer wrote:

> I HAVE RECEIVED THE MOST VILE, CRUDE, OFFENSIVE, AND DEPRIVED (sic) MESSAGES . . . . certainly not the type I would expect coming from someone at BYU.

Clearly, he was stung by the responses that he received, just as the authors intended. And for some list participants, a hostile verbal response was a sufficient vent for their feelings toward the spammer.

Complaining to Internet Service Provider (ISP)

However, other list participants chose to complain not to the subscriber himself but to his Internet service provider. These indirect complaints were reasonable. As mentioned above, it is oftentimes useless or impossible to complain directly to spammers because they ignore the complaints or have falsified their e-mail headers (CAUCE 1999; Wright 1998). These more aggressive list members reported the following actions.

> I did what I always do with spammers, I contacted his ISP directly, told them of the situation and asked that action be taken. I received a reply from them saying they would take care of it. I have no idea if they actually will do something, but at least it puts them on notice.

* * * * *

> [I contacted] their service provider... they'll be looking for a new one in short order (if the provider is of any quality).

The following are verbatim messages sent to ISPs. The second was sent by a lawyer who was a member of the list.

> One of the subscribers to our mailing list apparently decided he needed to leave the list, and apparently set up an "auto-reply" that flooded the list with the message shown below. Unfortunately, we did not know what was happening until scores of these messages were distributed. This is a terrible and completely inappropriate way to deal with a request. I don't know how long the user had been on our list, but there had been no attempts that we could see to get unsubscribed in conventional ways. Many ISPs would cancel the account of a subscriber who behaved so poorly.

* * * * *

> I am writing because one of your clients is a spammer and I am going to take the necessary

legal actions if you don't. He just sent our sports list about 50 messages multiplying that by 3000 subscribers ... you get the idea. I have attached one of the offending messages. The homepage for the email list clearly states how to unsubscribe—he chose another course of actions.

It is against the law to spam anyone in California. If you would like to have a lawsuit, then do nothing. If you would like to avoid a lawsuit—tell this guy he just lost his account otherwise I will assume you support these actions and we will assert our rights.

Any further attempts by a person or persons associated with your company or any client who tries to spam will NOT BE TOLERATED.

Retaliation

While many list members offered no response and some offered verbal chastisement to the spammer himself or to his ISP, others chose to retaliate in kind with spam of their own directed at the spammer's account. Several simply redirected each message they received from the spammer back to him.

> I started redirecting the messages that they sent to cougar-net. I did this about 20 [times] and then stopped, as reason took over.... I also figured that if 20 other people did at least what I did then, they will get 400 messages.

Others created spam customized to send a message to the spammer.

> I don't know if you saw the note I sent to C-Net, but I encouraged everybody to send at least a few notes to them, and a few responded to me that they had (one sent over 50 notes back to them). I sent about 5 or 6, which basically said if they were able to follow directions to get on the list, they should be able to follow directions to get off the list.

* * * * *

> Yes, I was very ticked off and I spammed the spammer back with a message saying, "Please, please, please don't be a jerk!"

* * * * *

> I composed a reply explaining to him that every one of his messages went out to over 600 subscribers, and then I sent it to him about 20 times.

* * * * *

> I did reply to "many" (20 or so) of their posts but not all. Interesting to... I received an angry reply back from them.

One subscriber set up an automated reply similar to that originally created by the spammers. Had this retaliator continued to receive messages from the spammer, he would have flooded his mailbox with a looped retaliatory message, but to his regret, the spammer did not provoke this response with any new messages. The retaliator's actions are reported in the following passage.

> [H]ere is what I did. I sent them ONE message that chastised them for spamming us and wasting our time and not following directions... yada, yada, yada... I also set up a Rule in my email system to respond back with a similar nasty message each and every time a message from them appeared in my inbox... no more came in, not even a response to my first message to them. Had it continued, I'd have gotten even meaner, and completely stuffed their box full of mail ... continually ... by setting up a Rule that "looped," so to speak. You don't SPAM a messaging professional! <big grin> But ... alas ... none of this came to pass ... except the first message I sent to them.

Another relatively sophisticated list member also retaliated massively, using a dummy account to prevent counter retaliation.

> I have to admit, I did spam them back... usually I ignore people like this, but this time, due to the inconsideration (sic) of the person

> involved, the number of people affected, the emotions of the moment, the way the planets aligned (who knows, they pushed my buttons)... I decided to be a passive bystander no more. I created an Email account on Yahoo (to prevent them from re-spamming me as counter-retaliation), then wrote a note telling them that their actions were thoughtless, inconsiderate, and caused a lot of people to be very upset with them. I then sent them over 200 copies... Christ-like? No, it wasn't. *grin* Just got fed up with being hit by one spammer too many.

In this case, the spamming subscribers were the victims of resentment built up in previous encounters with spam.

One subscriber was prepared to escalate from e-mail to the telephone and US mail. He looked up the spammer's home address and phone number and was planning to post them to the list with a suggestion that list members call or send letters to voice their displeasure. In the end, however, he did not post this information to the list, though he did send it to one of the list owners, the first author.

The Spammer's Response

As the passages cited above indicate, the spammer received an overwhelming and overwhelmingly negative response from list members. He, in turn, sent the following message to one of the list co-owners. His response was at different points both angry and plaintive.

> Last Sunday I was "surfing the net" to get the score on the BYU/Washington game. I came across the site which asked if I would want to be on the cougar-net. Not an alumni, but as a fan I said "yes." When I next turned on my computer, I had 483 e-mail messages!!! ...all from on the cougar-net. I didn't know what I had turned on when I said "yes" but I wanted out and made the mistake of replying to all to take me off the thing.
>
> Little did I know that EACH MESSAGE went to EVERYONE, and that is reasonable because I did not take the time to look through 400+ messages to find one that gave directions to get off cougar-net.
>
> None of you have had the problems that I have had. Granted, I unknowingly caused problems for you all, but I am getting HUNDREDS AND HUNDREDS OF MESSAGES A DAY!!!! most which are multiple copies of the same message, each seemingly sent once a minute for an hour or so... over and over, and over compounded into thousands and thousands each day.
>
> I HAVE RECEIVED THE MOST VILE, CRUDE, OFFENSIVE, AND DEPRIVED MESSAGES.... certainly not the type I would expect coming from someone at BYU. One of them had an attachment that was 70-MEGABYTES and took 1 1/2 hours of my net-time to load--which my server said not to open, thinking it had viruses.
>
> IS THAT THE CHARACTER OF BYU?????? Are these people the type of people BYU produces???
>
> I'm sorry, but while I caused problems I did not know of... they were nothing compared with what BYU students/alumni/supporters have INTENTIONALLY CAUSED for me. My address is not only on the letterhead of my business---it is also the NAME of my business (RAW ENTERPRISES), and now I may be forced to have to have to change my address... because of the intentional actions of these people. I sent messages one (1) time, and did manage to "unsubscribe" within 3 hours. It has now been 4 days and I still get thousands of messages each day!!!
>
> As I apologize for my ignorant act, I feel that the hundreds of people sending these tens-of-thousands of messages I am getting owe me an apology.
>
> I WAS A FAN OF BYU
> I NOW HAVE A TOTALLY DIFFERENT VIEW OF THE SCHOOL.
>
> If you call my unfortunate and ignorant act as

> "rude at the very least" I would be anxious to know what you would call the acts of these BYU students/fans/alumni???

Clearly, it wasn't only the spammer and the other subscribers to Cougar-Net who were injured in this episode. BYU, too, was injured, though there is no official connection between the list and the university and though the university was not involved with the exchange of messages in any way. The spammer's resentment does not, however, appear to extend to the Mormon church which sponsors BYU.

Responses to the Spammer's Explanation

Cougar-Net participants were not of one mind in their reactions to the subscriber's spam and subsequent explanation/complaint. Some shared his view that he was the more injured party and were embarrassed by the behavior of their list colleagues. One apologist eloquently expressed this point of view.

> Yesterday at work I read a bounced message to C-net from someone that contained an explanation of what happened with the [spammer]. The message was from the spammer. I send it to [the list co-owner] to post here if it had not gotten through. I'm not subbed to C-Net at work and could not post it myself.
> In my message to [the list co-owner] I told him and I'll tell you now that I was and am very embarrassed for all the members of the list that retaliated to [the spammer.] We or I guess I should say they did more harm to [the spammer] than he ever did to us. His was a mistake made from lack of knowledge. The actions of members of this list, were on the other hand, arrogant, malicious, cruel, and totally uncalled for. I felt then and now that I had been betrayed by friends.... Those that returned [un]kindness for [un]kindness to [the spammer] have now caused me to be painted with the same brush as you used to slap him.... All of those that Spammed [the spammer] owe him, BYU, BYU fans, and the members of this list an apology. You had no right to do what you did. I told [the list co-owner] that if I could I would unsub all those that had returned salvos at [the spammer]. It would not be my place to take such action, and [I] would not know who to unsub. . . but if I knew and it was my place I would. BYU, it's fans and the members of this list that did not retaliate all have a black eye because of some thoughtless people.

Other list members were incensed by the spammer's message and insisted with varying degrees of hostility that he got just what he deserved.

> As one who did not SPAM the [spammers] I am a little puzzled. Was it my imagination, or did they post at least 20 times a very long, repetetive request to be unsubscribed from cougar-net.... Sorry to the [spammers], but didn't they SPAM 600 people? What did they think would happen?

* * * * *

> Even though I didn't spam [the spammer], I sent a letter to his postmaster in complaint of his actions, I can't condone what he did. I don't care if you do have a "lack" of knowledge about how email works, it is rude to send over 30 messages saying the same thing, whether it is to a mailing list or to a single individual. Anyone with a small amount of common sense should be able to realize this. Finally, his apology wasn't much of one. A couple of sentences of "I'm sorry" then a tirade of "look at how abused I am." Reminds me of another apology I heard recently.... [a clear reference to President Clinton's *mea culpa* in the Monica Lewinsky affair] Maybe my thoughts might seem mean spirited. But as a person who manages his own mailing list, spam in any form gets real old real fast. The Internet is a tool like any other, you should make sure you know how to use it properly or you just might get burned.

* * * * *

> There are always 'newbies' that don't pay attention on how to unsubscribe, even when

> it's posted at the bottom of EVERY message sent to the list, but in each case, most of them only send one or two messages saying 'please remove me from the list'. For a newbie who knows nothing about Email, he sure was smart enough to figure out how to setup an auto-reply to all the messages he received. And if he didn't auto-reply, but rather individually responded to each of those posts with his 'spam', then HE is the one being EXTREMELY rude!!
>
> * * * * *
>
> I respectfully disagree with the notion that just because he clicked a button without reading the fine print, and then configured his email to automatically respond to all c-net messages with his PLEASE PLEASE PLEASE message, that I need to apologize to him for hurting his feelings. We are all responsible for our own actions. If he had read the directions, there would not have been a problem. And I'm still at a loss to understand how 600 people upsetting one person is worse than one person upsetting 600... I don't think our actions were worse than his. Ignorance is no excuse.

DISCUSSION

There is a clear consumer retaliation analog in many of the passages quoted above. Retaliation occurs when consumers take matters into their own hands believing they have been treated unjustly and have not received adequate redress of grievances. These consumers may have complained and received what they perceive to be an inadequate response, or believing complaints to be ineffective, they may have retaliated without bothering to complain (Huefner and Hunt 1994). They retaliate to "get even" or "settle the score."

In the passages quoted above, it is clear that some subscribers to Cougar-Net have engaged in retaliation. Redirecting large quantities of e-mail, threatening legal action, sending mail bombs, and writing obscene messages are various methods of getting even. In their efforts to get the spammer's ISP to discipline him, Cougar-Net participants acted in ways typical of consumers unhappy with commercial spam. Consumers call for legislative regulation and seek to get offenders blacklisted (Boldt 1999; CAUCE 1999). But they also boycott the products the spammers market (Ebert 1996; Mueller 1999), an option that wasn't open to members of C-Net since the spammer's message did not mention a product.

But more appears to be at work than simple retaliation. Some responses seem to grow out of a more enduring grudge against spammers. Hunt and colleagues (Hunt and Hunt 1988; Hunt et al. 1990; Huefner and Hunt 1992) have defined consumer grudgeholding as an extreme form of exit. Grudgeholding "carries a heavy emotional loading, and it persists over long periods of time" (Huefner and Hunt, 1992, p. 228). Grudgeholding is characterized by long-term avoidance and long-term negative word of mouth. Past offenses are not quickly forgotten.

One respondent indicated that the spammer reaped the consequences of frustration that had been building for some time: I "just got fed up with being hit by one spammer too many." Another has developed a standard retaliatory response to spammers that reflects an enduring hostility towards them:

> I did what I always do with spammers, I contacted his ISP directly, told them of the situation and asked that action be taken. I received a reply from them saying they would take care of it.

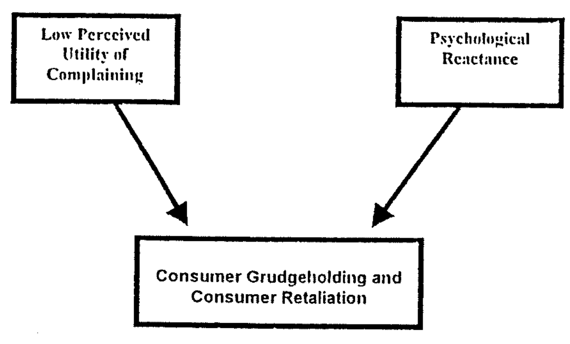
These responses do not seem to reflect a momentary pique that will pass. They grow out of an enduring grudge.

What do these data tell us about how and why consumers develop grudges and retaliate? First, as a caveat, they show that many people who suffer an injury do not feel impelled to strike back, and, indeed would be mortified if perceived to be vindictive. Lee Tanner and others responded in this way. Others who did have pretty strong feelings against the spammer and who repudiated the apologist's response after he posted it to Cougar-Net nevertheless took no action against the spammer. These list members would seem to represent consumers for whom the utility derived from complaining about the unsolicited messages is too low to motivate an act of retaliation. In her seminal article on complaining behavior, Kowalski

(1996) points out that many people respond (or fail to respond) in this way to an unsatisfactory commercial interaction. On the net, this non-response may be especially likely among the well informed since, as previously mentioned, it is often difficult and/or pointless to complain to a spammer (CAUCE 1999; Wright 1998).

While the ineffectualness of complaining may lead to inaction, Wright and Larsen (1997) have suggested that low perceived utility for complaining may also lead to the opposite response, retaliation. The transition from complaining to retaliation (the pattern exhibited by the informant who became fed up with spam and finally retaliated) is modeled in Exhibit 2.

Exhibit 2
Antecedents to Grudgeholding and Retaliation



Psychological reactance is another possible explanation for the visceral response consumers have to spam (see Exhibit 2). Reactance is a motivational arousal to overcome loss of personal freedom (Brehm 1966). Reactance impels people to seek the restoration of freedoms they believe they have lost. The greater the importance of the freedoms perceived to be lost the greater the response (Brehm 1993; Wortman and Brehm 1975). In the example discussed above, some Cougar-Net subscribers are highly involved with the list. Their level of involvement is apparent in their welcoming the same large number of messages from the list that so surprised the spammer and motivated his effort to unsubscribe. Some of these subscribers felt that the readability of the list they value so highly was threatened by the spammer's insertion of a great deal of digital clutter. Because their ability to enjoy reading sports-related messages was threatened by the spammer, they *reacted* against the source of that loss of freedom, and retaliated against him in various ways, all in an effort to restore the normal functioning of Cougar-Net.

LIMITATIONS AND FUTURE DIRECTIONS

Several peculiarities of Cougar-Net and Cougar-Net participants may limit the generalizability of this study to other consumers and other e-commerce venues. Since most participants on the list share a religious affiliation, it is possible that the perspective represented by the apologist may loom larger in this episode than it would in a similar episode where participants did not share a common religious commitment. Conversely, precisely because the venue links religion and sports, life domains where involvement is often very high (Sirgy et al. 1998), some participants may have been less inclined to ignore a threat to the venue than they would have been on a less involving web site. Participants on Cougar-Net are peculiar, too, in that many are far more technologically sophisticated than the average person. Having been involved with the Internet for a long time, they may be more committed to social conventions--including strictures against broadcast communications--that governed the net before it became a mass medium, and they may be more able to retaliate given the impulse to do so than the average Internet user would be. Finally, because the perceived violator of netiquette did not have a commercial interest that the spam victims knew about, it was not possible for them to retaliate by directly attacking the business operations of the perceived miscreant. If the spam were explicitly commercial, a direct attack on business operations would be more likely.

The focus of this study has been the likely retaliation costs of an unsolicited electronic communication. While this study makes it clear that those costs are real, some businesses may, nevertheless, be willing to risk retaliation from some recipients of e-mail if they are able to gain the business of other recipients. Indeed, virtually any commercial communication, even those that are not entirely unsolicited, have the potential to evoke retaliation. As the Internet comes to be used more widely for commercial communications, researchers will need to focus on the probable ratio

of costs and benefits of such communications. They will need to focus, too, on ways of minimizing the retaliation costs while maximizing the sales and public relations benefits of e-communications with potential customers. While the Internet is a commercial medium with almost unparalleled potential, that potential will be destroyed if businesspeople are unable to find ways to communicate that maximize the dissemination of information while minimizing for consumers unnecessary expenditures of time and money.

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