

The Impact Of Relationship Satisfaction On Attributions, Emotions, And Behaviors Following Service Failure

William R. Forrester, (E-mail: bill_forrester@coles2.kennesaw.edu), Kennesaw State University
Manfred F. Maute, (E-mail: maute@unbc.ca), University of Northern British Columbia

Abstract

This article investigates the processes through which relationship quality influences attributional, emotional, and behavioral responses to service failures. Results indicate that relationship quality reduces the likelihood of adverse behaviors by making blame and anger less intense. Results confirm the importance of relationship building behaviors and suggest strategies for reducing vulnerability to customer defection and adverse communications. To reduce negative word-of-mouth, managers should use relationship-building efforts to augment service recovery programs. To make customer exit less likely, service managers should invest in relationship building efforts that help to differentiate their service offers and increase barriers to exit.

Introduction

Research has shown that relationship quality contributes to customer satisfaction and long-term customer retention. Exchange partners who are satisfied with their relationships enjoy confidence, social, and special treatment benefits that lead them to develop intentions to engage in further exchange (Gwinner, Gremler and Bitner 1998). These intentions strengthen the service marketer's capacity to retain exchange partners as long-term customers (Ganesan 1994). Since maintaining strong relationships is critical to the success of service marketing strategies, considerable effort has been directed toward understanding the dimensions and determinants of relationship quality perceptions. Yet extensive research has produced little empirical support for direct links between

satisfaction and retention (Hennig-Tharau and Klee 1997).

To date research on the links between relationship quality and behavioral intentions remain rare, and almost always focuses on satisfactory exchange outcomes. Ironically, while satisfaction is a critical determinant of customer retention, existing literature offers little insight regarding the influence of relationship quality on attitudes and behavioral intentions following service failures. As a result, existing literature provides little guidance for leveraging relationship quality perceptions to increase cooperative behaviors and lessen the likelihood of adverse behaviors such as exit and negative word-of-mouth (Blodgett, Wakefield, and Barnes 1995; Price, Arnould, and Deibler 1995). This is an issue of considerable importance since service failures can occur even in the best-run companies.

Readers with comments or questions are encouraged to contact the authors via email.

The purpose of this paper is to investigate the effects of relationship quality on customer cognitions, emotions, and behaviors, in the aftermath of a core service failure. We begin with a brief review of the dimensions and determinants of relationship quality. Then, using a cognitive-emotive process model as our conceptual framework, we develop hypotheses that predict the effects of relationship quality on attributions of blame for service failures, anger, and subsequent coping behaviors. We then report the results of a study of a real estate core service failure in which these hypotheses were tested empirically.

Dimensions and Determinants of Relationship Quality

Crosby, Evans, and Cowles (1990) conceptualized relationship quality as a two-dimensional higher order construct consisting of trust in the salesperson and satisfaction with the salesperson's performance. When relationship quality is high customers believe that they are able to rely on the salesperson's integrity, and have confidence in the salesperson's future performance because the level of past performance has been consistently satisfactory. Research shows that many of the factors that influence relationship quality perceptions are controllable by marketers. There is considerable evidence that customer orientation positively effects relationship quality perceptions (Bejou, Wray, and Ingram 1996). Research also shows that relationship quality perceptions are enhanced by relationship duration as well as perceptions of the salesperson's expertise and ethical conduct (Legace, Dahlstrom and Gassenheimer 1991).

The Cognitive Emotive Process Model

With cognitive appraisal theory as a conceptual framework, Stephens and Gwinner (1998) proposed a cognitive-emotive process (CEP) model of consumers' complaining behaviors in response to stressful marketplace experiences such as core service failures. The model pro-

poses that following service failures consumers engage in extensive cognitive appraisal. This appraisal serves several purposes. First it allows consumers to determine the extent to which the failure has resulted in harm or jeopardized the achievement of valued goals. Appraisal may also involve assigning blame for the failure, and evaluating whether things are likely to get better. In addition, it allows consumers to select appropriate strategies for coping with the psychological stress resulting from harmful outcomes.

Three strategies are available for reducing psychological stress. Problem-focused strategies deal directly with the dissatisfying experience. For example, an investor with disappointing returns may complain to his broker that investments are not aggressive enough. Emotion-focused strategies, however, address the consumer's mental states and reactions to the problem rather than the dissatisfying experience itself. For example, instead of complaining to the broker, an investor might convince himself that he hadn't communicated his risk preferences correctly, or hadn't exercised enough diligence in keeping close watch on the broker's performance. Avoidance strategies are those that lead to withdrawal from the situation all together. To continue the example, the investor might simply close his account and transfer his funds to another brokerage firm.

Relationship Quality and Attribution

When major problems and conflicts arise in close relationships people use attributions in order to gain understanding, to communicate affect, to influence one another, and to assign responsibility and blame (Harvey 1987). Research in marketing contexts confirms that attributions strongly influence complaining and redress-seeking behaviors as well as future purchase intentions (Folkes 1984, Folkes, Koletsky and Graham 1987). Attribution theory proposes that responsibility for disappointing outcomes is influenced by judgements about the degree to which the outcome was foreseeable, controllable,

or intentional (Carroll and Weiner 1982). Research on consumer attributions of responsibility for unexpected negative consumption outcomes confirms these propositions. In a recent product safety study, consumers were more likely to blame marketers for product related injuries when they believed that the injuries were something the marketers could have foreseen or averted (Griffin, Babin, and Attaway 1996).

The CEP model provides a conceptual basis for hypothesizing that relationship quality affects attribution. Research has shown that high quality relationships are characterized by shared values, trust, and open communications. A study in the pharmaceutical industry showed that ethical behavior and expertise affected both trust of the salesperson and satisfaction with exchanges (Lagace, Dahlstrom, and Gassenheimer 1991). A study of relational behaviors in the insurance industry showed that cooperative intentions, mutual disclosure, and intensive follow-up contact contributed to strong seller-buyer bonds (Crosby, Evans, and Cowles 1990). To the extent that satisfying relationships involve high levels of trust, customers are less likely to see service failures as outcomes that were foreseeable, controllable, or intentional by the service provider. They are, therefore, less likely to blame the service provider for service failures.

Hypothesis 1: Relationship satisfaction reduces external blame for service failure.

Relationship Quality and Emotions:

While it is widely recognized that emotions are significant determinants of post-purchase behaviors, it is only recently that marketing researchers have begun to investigate the antecedents of emotions (Nyer 1997). The CEP model is especially relevant in service marketing contexts since it explicitly considers the origins of consumption emotion and provides a conceptual basis for linking relationship quality to emotional outcomes. The model builds on previous work in cognitive social psychology and pro-

poses that the specific emotions that result from cognitive appraisal vary according to attributions of responsibility.

Laboratory experiments involving achievement outcomes have shown that causal attributions and causal dimensions have effects on affective reactions to successes and failures. One early study found that failures attributed to some other person's lack of effort or ability were associated with feelings of incompetence, resignation, and anger, while failures attributed to one's own lack of effort or ability were more strongly associated with guilt, shame, and fear (Weiner, Russell and Lerman 1979). A similar study found that when successes occurred, subjects experience emotions of competence, gratitude and positive affect. When failures occurred the dominant emotions were anger, guilt, surprise, and generalized negative affect (Russell and McAuley 1986). Subsequent research has confirmed that attributions determine the specific emotions that follow failure. When blame is placed externally to some other person the predominant emotions are anger, disgust, and contempt. When blame is placed on situational forces the predominant emotions are sadness and fear. And when blame is placed internally the predominant emotions are shame and guilt (Izard 1993).

Research by consumer behaviorists confirms that attributions influence emotions and behaviors in marketing contexts. In a study of product failure, Folkes (1984) found that the stability of causal attributions about a failed breakfast drink influenced consumer expectations of future failure and redress preferences. Attributions about responsibility for the failure affected the degree to which consumers believed a refund and apology were deserved. Attributions about the controllability influenced anger and the desire to harm the seller's business. A subsequent field study by Folkes, Koletsky, and Graham (1987) observed relationships between product failure attributions, emotions, and complaining and repurchase behavior. These findings suggest a

linkage between relationship quality and anger. Because relationship quality reduces blame for service failures, and because anger is a result of blame, relationship quality reduces anger in the aftermath of service failures.

Hypothesis 2: Relationship satisfaction reduces the amount of anger associated with external blame for service failures.

Emotion – Behavior Linkages

Research has consistently shown linkages between post-purchase behaviors and consumption emotions. Studies have shown that emotion has motivational implications and enhances prediction of freely chosen behavioral responses. They also suggest that emotion has a greater ability to enhance predictions of behaviors linked to weak attitudes than those linked to strong attributes (Allen, Machleit and Kleine 1992; Smith, Haugtvedt and Petty 1994).

More recent research has shown that attributional judgements and emotional responses affect behavioral responses. Mooradian and Oliver (1997) presented evidence that consumption-based emotions are linked to satisfaction and a range of post-purchase behaviors including complaints, recommendations, and repeat purchase intentions. They also demonstrated that emotion-behavior linkages are influenced by personality variables which might help marketers identify segments pre-disposed to satisfaction or dissatisfaction, loyalty, word-of-mouth, and complaining.

These findings provide insight into the psychological processes which link relationship quality with behavioral responses to service failures. They suggest that the behavioral impact of relationship quality is due its ability to lessen the effect of blame and anger.

Hypothesis 3: Relationship satisfaction decreases the likelihood of exit and negative word-of-mouth resulting from blame and anger.

In summary, parallel research streams allow service marketers to predict consumer behavioral reactions to service failures. First, there are studies that model intentions to engage in further exchange as a function of relationship quality but without consideration of intervening attributional or emotional variables. On the other hand there are studies which model relationship continuation as a function of attributions and emotions without explicitly considering relationship quality. This suggests an opportunity to increase predictive power by modeling behavioral responses as a function of attributions and emotions as well as relationship quality.

Methods

Sample and Procedures

Hypotheses were tested in a field study of real estate service customers. One thousand one hundred and sixty-five (1165) randomly selected homeowners with houses listed for sale in a large metropolitan area received a cover letter, questionnaire and two follow-up postcards. Three hundred and fifty-eight (358) usable questionnaires were returned within eight weeks for a thirty-one percent response rate. No significant differences were observed between respondents and non-respondents in terms of zip codes, asking prices or average time on the market (forty-nine days).

Real estate service was chosen as the context for the study because home sales represent important, high risk exchanges and involve participants in close relationships with service providers (i.e. real estate agents). They also elicit strong emotions and allow for a range of failure attributions (Day and Nourse 1991; Dunlap, Dotson, and Chambers 1988). For example, home owners who list a house for sale and subsequently receive no offers may blame market conditions, their agent's lack of competence or concern, or themselves for not following the agent's advice about preparing the house and pricing it for quick sale.

One-page scenarios embedded in the questionnaires described the experience of a couple who received no offers in the six months their home was listed for sale. The failure of the real estate agent to secure offers on the house during the listing period was treated as the core service failure for the study. Using a 2 X 2 X 2 factorial design the scenarios presented high and low level descriptions of the agent's expertise, the homeowners' compliance with the agent's recommendations, and the extensiveness of the agent's relationship building behaviors (see Figure 1). Since emotions are elicited by cognitions, one alternative for emotion reporting in experimental contexts is to have subjects read vignettes in which appraisal dimensions are manipulated and then predict the emotions of characters in the vignettes (Izard 1993). After reading the scenarios, respondents provided their perceptions of the emotions experienced by the young homeowners, judgments about responsibility for the lack of offers, and the advisability of various behaviors that the homeowners could take.

Measures

Measures for all independent variables in the study were based on existing scales reported in prior research. Where appropriate, these scales were modified to fit the real estate context. Since simultaneous consideration of all relationship quality dimensions was beyond the scope of this study, one dimension, relationship satisfaction was chosen for closer examination. Relationship satisfaction was measured using the three-item relationship satisfaction scale developed by Crosby, Evans, and Cowles (1990). Attributions of responsibility for the lack of offers (blame) was measured using items reflecting the foreseeability, justifiability, and controllability of the lack of offers as well as the closeness of the agent's and the homeowners' association with the failure (Carroll and Wiener 1982). Emotional responses to the lack of offers was meas-

ured using failure emotion items from the Affective Responses to Success and Failure (ARSF) scale reported by Russell and McAuley (1986). Measures for the dependent variables of exit and negative word-of-mouth were developed specifically for the study. They are based on behavioral response items that were identified in depth interviews with homeowners and real estate agents. Specific items comprising the scales are presented in Figure 2.

A principal components factor analysis of all measures used in the study extracted five factors with eigenvalues greater than 1. These five factors correspond to the relationship satisfaction, blame, anger, exit, and negative word-of-mouth measures and account for sixty-nine percent of total variance. Factor loadings after varimax rotation are shown in Table 1. Factor structure provides evidence for the discriminant validity of constructs. Relationship satisfaction was distinct from blame and anger. Similarly exit was distinct from negative word-of-mouth.

Results and Discussion

Manipulation Effects

Manipulation checks confirmed the effectiveness of the scenarios. Participants indicated their agreement with statements about the situation using 7-point scales with "1" = "Strongly Disagree" and "7" = "Strongly Agree". The relationship building behaviors manipulation was tested using two statements "The agent can be relied upon to keep her promises" and "The agent is someone the homeowners can trust". Means for the high and low manipulation groups were ($\bar{X}_{\text{high}} = 4.99$, $\bar{X}_{\text{low}} = 3.09$) and ($\bar{X}_{\text{high}} = 4.72$, $\bar{X}_{\text{low}} = 2.62$) for the two statements. The expertise manipulation was checked with the statements "The agent knows what she is talking about" and "The agent is an excellent source of accurate information". Means for the high and low manipulation groups were ($\bar{X}_{\text{high}} = 4.21$,

Figure 1: Manipulations

Relationship Building Behavior Manipulations

High Relationship Building:

Soon after Nora got the listing, she hosted other agents to a tour of the house. Nora explained to the Martins the importance of showing the house to other agents, and told them the other agents all had positive comments. The house was shown a total of eleven times during the six months Nora had the listing. The Martins had seen the house advertised twice in local newspapers. John and Rachael had asked to be kept informed, and Nora was prompt in calling the Martins to let them know how each prospect felt about the house. She called each time prospects looked through the house, even those times when the house had been shown by a different agent. Nora also stopped by several times just to stay in touch.

Low Relationship Building:

Soon after Nora got the listing, she hosted other agents to a tour of the house. Nora let the Martins know when the tour was completed but did not say what comments the other realtors had made. The house was shown a total of eleven times during the six months Nora had the listing. The Martins had seen the house advertised twice in local newspapers. John and Rachael had asked to be kept informed, but Nora was not always prompt in calling to let them know that the showings had taken place. She sometimes called when she had been the agent doing the showings, but did not call when other agents showed the house. Much of the time, John or Rachael would have to call her to find out how the showings had gone. If specifically asked, Nora would pass on prospects' comments about the house, provided it had been one of her showings. Other than these times, the Martins had no other contact with Nora.

Expertise Manipulations

High Expertise:

Nora Brown has been an agent for nine years, and a member of the Million-Dollar Club for the last four. She has completed advanced training in real estate and showed the Martins her certificates as a Certified Real Estate Broker, and a Graduate of the Realtor Institute.

Low Expertise:

Nora Brown has been an agent for eleven months. She has received basic training in real estate and showed the Martins a certificate she had received for completing the course her agency offered to all its new agents.

Compliance Manipulations

After suggesting an asking price of \$94,900, Nora noted that the house was in bad need of painting and that one of the bathrooms showed visible signs of wear. She said that a new coat of exterior paint along with new linoleum flooring in the bathroom would help John and Rachael get this asking price.

High Compliance:

Although the Martins had been thinking of an asking price of \$99,000 without any improvements, and even though the cost of the painting and bathroom work would be \$2,000, the Martins finally agreed to list the house at the proposed price of \$94,900 and arranged for contractors to begin the work Nora suggested.

Low Compliance:

Since the Martins had been thinking of an asking price of \$99,000 without any improvements, and since the cost of painting and bathroom repair would be \$2,000, the Martins declined to make the recommended changes. Nevertheless, they insisted that Nora list the house at \$99,000.

Figure 2: Scale Items Used in Measures

<u>Relationship Quality</u>	(1=Strongly Disagree, 7=Strongly Agree)
Relqual1	The Martins are satisfied with Nora Brown
Relqual2(R)	The Martins are displeased with Nora Brown
Relqual3	The Martins view Nora in a favorable way
<u>Blame</u>	(1=Strongly Disagree, 7=Strongly Agree)
Blame1	There are things Nora could have done, but didn't, that would have gotten offers
Blame2	The reason for the lack of offers is something Nora had control over
Blame3	Nora is responsible for the lack of offers because she is the agent
<u>Anger</u>	(1=Not at All, 7=Very Strongly)
Anger1	Angry
Anger2	Furious
Anger3	Depressed
Anger4	Upset
Anger5	Unhappy
Anger6	Afraid
Anger7	Displeased
<u>Exit</u>	(1=Definitely Should Not Do, 7=Definitely Should Do)
Exit1	Renew the contract with Nora (<i>Reversed</i>)
Exit2	Let the contract expire and get a different agent
<u>Negative Word-of-Mouth</u>	(1=Definitely Should Not Do, 7=Definitely Should Do)
Nwom1	Warn friends not to do business with Nora
Nwom2	Tell Nora how disgusted they are
Nwom3	Write the Board of Realtors and complain about Nora

$\bar{X}_{low} = 3.64$) and ($\bar{X}_{high} = 5.54, \bar{X}_{low} = 3.02$). The compliance manipulation was tested with the statements “The agent cooperated with the owners and they cooperated with her” and “The agent would let someone spend more money than necessary if it would benefit her (*Reversed*)”.

Means for the high and low groups were ($\bar{X}_{high} = 3.74, \bar{X}_{low} = 3.04$) and ($\bar{X}_{high} = 3.73, \bar{X}_{low} = 3.18$). Observed differences in means between the high and low manipulation groups were statistically significant at the 0.01 level or better ($p < 0.01$) for all questions.

Effects of Relationship Quality on Blame and Anger

Several regression models were constructed to test the hypothesized effects. These models are presented in Table 2. Hypothesis 1 stated that relationship satisfaction reduces external blame following services failures. We tested this hypothesis by modeling blame as a function of relationship satisfaction. This model explained 20% ($R^2 = 0.204$) of the variance in blame attributed to the salesperson for the lack of offers. The null hypothesis that relationship satisfaction

Table 1: Omnibus Factor Analysis

Item	<u>(Factor Loadings after Varimax Rotation)</u>				
	Relationship Satisfaction	Blame	Anger	Exit	Negative Word-of-Mouth
Relqual1	-0.86				
Relqual2	-0.84				
Relqual3	-0.78				
Blame1		0.72			
Blame2		0.78			
Blame3		0.75			
Anger1			0.65		
Anger2			0.59		
Anger3			0.71		
Anger4			0.70		
Anger5			0.64		
Anger6			0.74		
Anger7			0.54		
Exit1				0.77	
Exit2				0.81	
Nwom1					0.76
Nwom2					0.78
Nwom3					0.81
Cronbach Alpha	0.91	0.73	0.86	0.68	0.81

accounts for no variance in blame is therefore rejected. The negative value observed for the relationship satisfaction regression coefficient ($b = -0.378$, $t = 9.495$, $p < 0.000$) is statistically significant and less than zero. This indicates that respondents were less likely to blame the agent for the lack of offers as relationship satisfaction increased. Thus hypothesis 1 is supported.

To test hypothesis 2, we constructed a model of relationship satisfaction and blame as predictors of anger. Results presented in Table 2 shows that this model explained 29% of the variance in anger. Hypothesis 2 predicted that relationship satisfaction would reduce the effects of blame in producing anger in response to the failure. The positive coefficient for blame ($b = 0.107$, $t = 2.598$, $p < 0.010$) confirms that

higher levels of blame were associated with higher levels of anger. The negative value for the relationship satisfaction coefficient ($b = -0.316$, $t = -9.170$, $p < 0.000$) is statistically significant and less than zero. This indicates that higher levels of relationship satisfaction were associated with lower levels of anger. This supports hypothesis 2.

Effects on Negative Word-of-Mouth and Exit

Hypothesis 3 predicted that relationship satisfaction would decrease the likelihood of exit and negative word-of-mouth resulting from blame and anger. Models were constructed for each dependent effect and are shown in Table 2. The exit model explained 30% of variance in the likelihood of exit. Regression coefficients were

Table 2: Models of the Effects of Relationship Satisfaction, Blame, and Anger

<u>Dependent Variable</u>	<u>Predictor Variable</u>	<u>Regression Coefficient</u>	<u>Standard Error</u>	<u>p > t</u>	<u>95% Confidence Interval for Regression Coefficient</u>		<u>Model R-Square</u>
					<u>Lower Bound</u>	<u>Upper Bound</u>	
Blame	RS ¹	-0.378	0.040	0.000	-0.456	-0.300	0.204
Anger	RS ¹	-0.316	0.034	0.000	-0.383	-0.248	0.287
	Blame	0.107	0.041	0.010	0.026	0.188	
Exit	RS ¹	-0.326	0.049	0.000	-0.423	-0.229	0.347
	Anger	0.150	0.069	0.030	0.015	0.285	
	Blame	0.180	0.054	0.001	0.075	0.286	
NWOM ²	RS ¹	-0.145	0.050	0.004	-0.243	-0.047	0.297
	Anger	0.377	0.069	0.000	0.241	0.513	
	Blame	0.338	0.054	0.000	0.232	0.444	

¹ Relationship Satisfaction;

² Negative Word-of-Mouth

positive and significant for both blame and anger indicating that these variables increased the likelihood of exit. As predicted, the relationship satisfaction coefficient was negative and statistically significant (b = -0.326, t = -6.601, p < 0.000). This confirms that relationship satisfaction had the effect of lessening the effects of anger and blame on likelihood of exit, and supports hypothesis 3.

Blame, anger, and relationship satisfaction explained 35% of the variance in the likelihood of negative word-of-mouth. Positive and significant regression coefficients indicate that blame and anger increased the likelihood of negative word-of-mouth. As predicted, the observed value of the coefficient for relationship satisfaction was negative and statistically significant (b = -0.145, t = -2.913, p < 0.004). This confirms that relationship satisfaction had the effect of lessening the effects of anger and blame on

likelihood of negative word-of-mouth. This adds additional support for hypothesis 3.

Prediction Enhancement

One of the purposes of this study was to demonstrate that blame and anger enhance the ability of relationship quality to predict behavioral responses following service failures. Table 3 presents a comparison of three approaches to predicting exit and negative word-of-mouth. With the first approach relationship satisfaction is treated as the sole predictor. The second considers blame and anger, but not relationship satisfaction. The third combines indicators of relationship quality with cognitive emotive predictors.

The table makes it clear that combining effects increases R² levels and improves ability to predict both exit and negative word-of-mouth.

Table 3: Comparison of Three Model Structures for Predicting Exit and Negative Word-of-Mouth

Predictor Variable	Exit			Negative Word of Mouth		
	RS ¹ Model	CEP ² Model	Combined Model	RS ¹ Model	CEP ² Model	Combined Model
	(Regression Coefficients)			(Regression Coefficients)		
RS ¹	-0.44**		-0.33**	-0.40**		-0.14**
Blame		0.30**	0.18**		0.39**	0.34**
Anger		0.35*	0.15*		0.47*	0.38*
F	119.08**	45.78**	48.78**	84.16**	85.76**	61.23**
R-square	0.25	0.21	0.30	0.19	0.33	0.35

¹ Relationship Satisfaction;

² Cognitive-Emotive Process;

** Significant at the 0.01 level or better;

* Significant at the 0.05 level or better

Interestingly, the patterns of R² improvement differ for the two response variables. For exit, relationship satisfaction alone explained more variance (25%) than did blame and anger (21%). Yet, for negative word-of-mouth, relationship satisfaction explained less variance (19%) than was explained by blame and anger (33%). This suggests relationship satisfaction has a greater ability to inhibit exit from a service relationship than to inhibit negative word of mouth. Conversely, blame and anger appear to be more direct motivators of negative word-of-mouth than of exit.

Managerial Implications

The study provides strong evidence that blame and anger increase the likelihood of customer defection and adverse communications in response to dissatisfying service outcomes. But it also shows that high relationship satisfaction can lessen the intensity of blame and anger. These findings have wide ranging implications for service marketers. While service marketers should do all within their power to ensure core service delivery, occasional service failures are inevitable even in the best-run companies. This study provides strong evidence that those who ignore relationship quality are vulnerable when these failures do occur. Results suggest priorities

and strategies for building satisfying relationships and for leveraging these relationships to forestall detrimental customer reactions.

Most fundamentally, results show the danger of ignoring relationship satisfaction. Service marketers often make tradeoffs between efforts aimed at core service delivery and those aimed at building satisfying customer relationships. They also overestimate how effective their relationship building efforts have been (Holmlund and Kock 1996). To correct these problems, service marketers should be deliberate in seeking relationship quality feedback from clients. This should be an ongoing effort rather than one that is only undertaken when problems arise. Fortunately, getting feedback is not difficult. Numerous scales exist for measuring perceptions of the service provider’s customer orientation, trustworthiness, expertise, and dependability. These include well established scales such as the SOCO, SERVQUAL and SERVPERF scales, as well as more specific scales for measuring trust and relationship satisfaction (Saxe and Weitz 1982; Parasuraman, Zaithaml, and Berry 1988; Cronin and Taylor 1992).

Current services literature offers little help in identifying threshold levels of relationship quality which must be present in order to have

beneficial effects. This is a notable deficiency in the literature and a potentially fruitful avenue for future research. Managers should establish appropriate benchmarks for their own situations, and apply these in evaluating the relationship feedback. Using these benchmarks, service marketers should closely monitor relationship quality feedback and take corrective actions when satisfaction is low.

Since customers are most likely to defect when they have many alternatives and low switching costs, marketers should assign top priority to differentiating their services and strengthening barriers to exit. In differentiating their services, marketers should take a long-term proactive view. They should consider what factors are likely to lead customers to switch and whether customization programs are feasible. Where full customization is not viable, it may still be possible to achieve some degree of differentiation by involving customers in the service delivery process (Cermak, File, and Prince 1994). Marketers should consider how quickly competitors can respond and focus on strategies that competitors are least likely to imitate.

Even when service marketers are able to differentiate their offers and erect exit barriers, they remain vulnerable to negative word-of-mouth. Results of this study offer insights for lessening its likelihood. The study shows that negative word-of-mouth is more strongly influenced by blame and anger than by relationship satisfaction. Therefore, priorities must include actions for directly and explicitly addressing blame and anger.

This study builds on work by Dube and Morgan (1998) who showed that blame and anger responses to failures are time sensitive. Results strongly support the use of delaying strategies to allow time for blame and anger to diminish. Delaying strategies should take the form of service recovery interventions and corrective actions. Corrective actions should include exhibiting trustworthiness and dependability through

customer orientation and the use of proactive communications.

The study extends work by Spreng, Harrell, and Mackoy (1995) in showing ways in which service recovery programs can be used to diminish anger and blame. When it is appropriate to apologize and admit mistakes marketers should do so. Recovery communications such as admitting mistakes leads customers to believe that the service provider is fair. However marketers should remain alert to the dangers of inviting undeserved blame. If properly done, recovery communications can lead customers to place blame elsewhere, thereby reducing anger. They pose problems, however, if improperly executed. Apologies and admissions of mistakes should be specific rather than general. Gratuitous general statements such as "It was all my fault" and "I am entirely to blame" are to be avoided.

Managers can further lessen the likelihood of negative word-of-mouth by implementing service recovery programs. Managers should thank customers for their feedback and reaffirm that customer complaints are valued and taken seriously. Since recovery programs lessen negative outcomes of the failure through restitution, managers should inform customers about the steps that are being taken to remedy problems and the changes being made to ensure that they do not occur again.

Summary


Results of the study extend current understanding, and have a number of direct implications for service marketing practitioners as well as researchers. The study demonstrates the predictive benefits of combining knowledge of relationship satisfaction with knowledge of customer emotions and cognitions. Since service failures inevitably result in some degree of blame and anger, the study allows us to offer insights that are relevant to service managers.

Results confirm the importance of relationship building behaviors and suggest strategies for reducing vulnerability to customer defection and adverse communications. To reduce negative word-of-mouth, managers should use relationship-building efforts to augment service recovery programs. To make customer exit less likely, service managers should invest in relationship building efforts that help to differentiate their service offers and increase barriers to exit.

It provides a more complete picture than is available by relying on knowledge of relationship quality alone. As such it broadens the spectrum of options managers have for forestalling adverse behavioral responses to dissatisfying service experiences and suggests options for more effectively handling problems when these problems do arise.

Limitations and Suggestions for Further Research

Some limitations suggest that the findings of this study should be interpreted with caution. Although scenario methodologies are well established in attribution studies, no scenario can fully capture the complexities of service interactions. Even though participants in the study were actual homeowners with homes listed for sale at the time of the study, their responses to actual service failures may differ from the responses to service failures presented in scenarios. The study was conducted in one city and the results may be influenced by localized conditions at the time of the study. Intentions to exit from relationships and to engage in voice behaviors are affected by context factors such as exit costs and the availability and attractiveness of alternatives (Singh 1990). The generalizability of these results may, therefore, be limited to the extent that perceptions of market conditions and service practices vary across locations. Similarly, the study focused on responsibility judgments without explicitly considering other attributional dimensions such as perceptions about the ability and effort of parties to the service relationship,

and the stability of their relationship inputs. This is an especially promising avenue for further investigation and future research should consider these dimensions. 

References

1. Allen, Chris T., Karen A. Machleit and Susan S. Kleine, "A Comparison of Attitudes and Emotions as Predictors of Behavior at Diverse Levels of Behavioral Experience," *Journal of Consumer Research*, Vol.18, No. 4, pp. 493-504, 1992.
2. Bejou, David, Barry Wray and Thomas N. Ingram, "Determinants of Relationship Quality: An Artificial Neural Network Analysis," *Journal of Business Research*, Vol.36, No. 2, pp. 137-143, 1996.
3. Blodgett, Jeffrey G., Kirk L. Wakefield and James H. Barnes, "The Effects of Customer Service on Consumer Complaining Behavior," *Journal of Services Marketing*, Vol. 9, No. 4, pp. 31-42, 1995.
4. Carroll, John S. and Richard L. Wiener, "Cognitive Social Psychology in Court and Beyond," in *Cognitive Social Psychology*, A. H. Hastorf and A. M. Isen (eds.), Elsevier/North Holland. New York, NY, 1982.
5. Cermak, Dianne S., Karen M. File and Russ A. Prince, "Customer Participation in Service Specification and Delivery", *Journal of Applied Business Research*, Vol.10, No. 2, pp. 90-97, 1994.
6. Cronin, J. Joseph, Jr. and Steven A. Taylor, "Measuring Service Quality: A Reexamination and Extension," *Journal of Marketing*, Vol. 56, No. 3, pp. 55-68, 1992.
7. Crosby, Lawrence A., Kenneth R. Evans, and Deborah Cowles, "Relationship Quality in Services Selling: An Interpersonal Influence Perspective," *Journal of Marketing*, Vol. 54, No. 3, pp. 68 - 81, 1990.
8. Day, Ellen and Hugh D. Nourse, "Client Selection of a Residential Real Estate Agency or Agent," *Journal of Professional*

- Services Marketing*, Vol. 8, No. 2, pp. 81-95, 1991.
9. Dube, Laurette and Michael S. Morgan, "Capturing the Dynamics of In-Process Consumption Emotions and Satisfaction in Extended Service Transactions," *International Journal of Research in Marketing*, Vol. 15, No. 4, pp. 309-320, 1998.
 10. Dunlap B. J., Michael J. Dotson, and Terry M. Chambers, "Perceptions of Real-Estate Brokers and Buyers: A Sales-Oriented, Customer Orientation Approach," *Journal of Business Research*, Vol. 17, No. 2, pp. 9-19, 1988.
 11. Folkes, Valerie S., Susan Koletsky, and John L. Graham, "A Field Study of Causal Influences and Consumer Reaction: The View from the Airport," *Journal of Consumer Research*, Vol. 13, No. 4, pp. 534-539, 1987.
 12. Folkes, Valerie S., "Consumer Reactions to Product Failure: An Attributional Approach," *Journal of Consumer Research*, Vol. 10, No. 4, pp. 398-409, 1984.
 13. Ganesan, Shankar, "Determinants of Long-Term Orientation in Buyer-Seller Relationships," *Journal of Marketing*, Vol. 58, No. 2, pp. 1-19, 1994.
 14. Griffin, Mitch, Barry J. Babin and Jill S. Attaway, "Anticipation of Injurious Consumption Outcomes and Its Impact on Consumer Attributions of Blame", *Journal of the Academy of Marketing Science*, Vol. 24, No. 4, pp. 314-327, 1996.
 15. Gwinner, Kevin P., Dwayne Gremler and Mary Jo Bitner, "Relational Benefits in Services Industries: The Customer's Perspective", *Journal of the Academy of Marketing Science*, Vol. 26, No. 2, pp. 101-114, 1998.
 16. Harvey, John H., "Attributions in Close Relationships" Research and Theoretical Developments," *Journal of Social and Clinical Psychology*, Vol. 5, No. 4, pp. 420-434, 1987.
 17. Hennig-Tharau, Thorsten and Alexander Klee, "The Impact of Customer Satisfaction and Relationship Quality on Customer Re-
tention: A Critical Reassessment and Model Development", *Psychology and Marketing*, Vol. 14, No. 8, pp. 737-764, 1997.
 18. Holmlund, Maria and Soren Kock, "Relationship Marketing: The Importance of Customer-Perceived Service Quality in Retail Banking," *Service Industries Journal*, Vol. 16, No. 3, pp. 287-304, 1996.
 19. Izard, Carroll E., "Four Systems for Emotion Activation: Cognitive and Noncognitive Processes," *Psychological Review*, Vol. 100, No. 1, pp. 68-90, 1993.
 20. Legace, Rosemary R., Robert Dahlstrom and Jule B. Gassenheimer, "The Relevance of Ethical Salesperson Behavior on Relationship Quality: The Pharmaceutical Industry," *Journal of Personal Selling and Sales Management*, Vol. 11, No. 4, pp. 39-47, 1991.
 21. Mooradian, Todd A. and James M. Oliver, "I Can't Get No Satisfaction: The Impact of Personality and Emotion on Postpurchase Processes," *Psychology and Marketing*, Vol. 14, No. 4, pp. 379-393, 1997.
 22. Nyer, Prashanth U., "A Study of the Relationships between Cognitive Appraisals and Consumption Emotions," *Journal of the Academy of Marketing Science*, Vol. 25, No. 4, pp. 296-304, 1997.
 23. Parasuraman, A., Zaithaml, V. A. and L. L. Berry, "SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality," *Journal of Retailing*, Vol. 64, No. 1, pp. 12-40, 1988.
 24. Price, Linda L., Eric J. Arnould and Sheila L. Deibler, "Consumers' Emotional Responses to Service Encounters: The Influence of the Service Provider," *International Journal of Service Industry Management*, Vol. 6, No. 3, pp. 34-63, 1995.
 25. Russell, Dan and Edward McAuley, "Causal Attributions, Causal Dimensions, and Affective Reactions to Success and Failure," *Journal of Personality and Social Psychology*, Vol. 50, No. 6, pp. 1174-1185, 1986.
 26. Saxe, Robert and Barton A. Weitz, "The SOCO Scale: A Measure of the Customer



- Orientation of Salespeople”, *Journal of Marketing Research*, Vol. 19, No. 3, pp. 343-351, 1982.
27. Singh, Jagdip, “Voice behaviors, Exit, and Negative word-of-mouth Behaviors: An Investigation Across Three Service Categories,” *Journal of the Academy of Marketing Science*, Vol. 18, No. 1, pp. 1-15, 1990.
28. Smith, Stephen M., Curtis P. Haugtvedt and Richard E. Petty, “Attitudes and Recycling: Does the Measurement of Affect Enhance Behavioral Prediction,” *Psychology and Marketing*, Vol. 11, No. 4, pp. 359-374, 1994.
29. Spreng, Richard A., Gilbert A. Harrell and Robert D. Mackoy, “Service Recovery: Impact on Satisfaction and Intentions,” *Journal of Services Marketing*, Vol. 9, No. 1, pp. 15-23, 1995.
30. Stephens, Nancy and Kevin P. Gwinner, “Why Don’t Some People Complain? A Cognitive-Emotive Process Model of Consumer Complaint Behavior”, *Journal of the Academy of Marketing Science*, Vol. 26, No. 3, pp. 172-189, 1998.
31. Weiner, Bernard, Dan Russell and David Lerman, “The Cognitive-Emotive Process in Achievement-Related Contexts,” *Journal of Personality and Social Psychology*, Vol. 37, No. 7, 1211-1220, 1979.

Notes