

Saying sorry really does cost nothing

September 21 2009

(PhysOrg.com) -- Economists have finally proved what most of us have suspected for a long time - when it comes to apologising, talk is cheap. According to new research, firms that simply say sorry to disgruntled customers fare better than those that offer financial compensation.

The ploy works even though the recipient of the apology seldom gets it from the person who made it necessary in the first place.

The study was carried out by the Nottingham School of Economics' Centre for Decision Research and Experimental Economics.

Academics set out to show whether customers who have been let down continue to do business after being offered an apology. They found people are more than twice as likely to forgive a company that says sorry than one that instead offers them cash.

NSE research fellow and study co-author Dr Johannes Abeler said the results proved apologies were both powerful and cheap. He said: "We know firms often employ professional apologists whose job is to say sorry to customers who have a grievance.

"You might think that if the apology is costless then customers would ignore it as nothing but cheap talk - which is what it is. But this research shows apologies really do influence customers' behaviour - surprisingly, much more so than a cash sweetener.

"People don't seem to realise they're dealing with an expert apologist

rather than an individual who feels genuine shame.

“It might be that saying sorry triggers in the [customer](#) an instinct to forgive - an instinct that's hard to overcome rationally.”

Researchers worked with a firm responsible for around 10,000 sales a month on [eBay](#), controlling its reaction to neutral or [negative feedback](#).

Some customers were offered an apology in return for withdrawing their comments, while others were offered €2.5 or €5.

The simple apology blamed the manufacturer for a delay in delivery, adding: “We are very sorry and want to apologise for this.”

Customers offered money were told: “As a goodwill gesture, we can offer you €5 if you would consider withdrawing your evaluation.”

Because customers had no idea they were taking part in the experiment, their behaviour was completely natural and unaffected. Some 45% of participants withdrew their evaluation in light of the apology, while only 23% agreed in return for compensation.

The study also discovered that a higher purchase price further reduced the number of customers willing to forgive for cash. Yet the size of the initial outlay had no effect on the willingness of participants to settle for simply reading the magic words: “I'm sorry.”

Dr Abeler, an expert in behavioural economics, said: “It's interesting to note our setting should have made it hard for an apology to work.

“The apology was delivered by a large, anonymous firm and wasn't face-to-face, and the firm had a clear incentive to apologise.

“All of this meant the apology should have been regarded by the customers as calculated, insincere and just cheap talk. Yet it still yielded much better outcomes than offering cash compensation - and our results might even underestimate its effects.”

Provided by University of Nottingham ([news](#) : [web](#))

Citation: Saying sorry really does cost nothing (2009, September 21) retrieved 25 April 2024 from <https://phys.org/news/2009-09-saying-sorry-really-does-cost.html>

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