

Not all brand-consumer relationships are created equal: study

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Not all brand–consumer relationships are created equal.

Marketers who realize this will be in a better position to retain customers and improve the perceptions of consumers who are unhappy with a [brand](#)'s service or product, says a new paper from the University of Toronto.

Consumers form connections with brands in ways that mirror social relationships. How consumers evaluate a brand depends heavily on whether the brand adheres to—or violates—the implicit [relationship](#) agreement.

Pankaj Aggarwal, a marketing professor at the Rotman School of Management and the University of Toronto Scarborough, and Richard P. Larrick of Duke University, recently tested brand evaluation after an unfair transaction. The results depended heavily on whether the consumer was in an exchange relationship with the brand i.e., a relationship based primarily on economic factors and the balance of inputs and outcomes (as in real-world brands such as Wal-Mart that draw consumers with value and savings), or in a communal relationship based on caring, trust and partnership (State Farm, for example, sells itself as a "Good Neighbor.")

In the first study, Aggarwal and Larrick set up a situation of low distributive fairness such that the consumer didn't get what they paid for and wasn't remunerated for a mistake made by the brand. When

customers were treated with respect and dignity (high interactional fairness), brand evaluations differed between those who were primed to be in communal versus exchange relationships.

The benefit of respectful treatment on improving brand evaluation was found only in communal relationships—it reassured consumers about the caring nature of their association with the brand. In this case, concern from the brand acted as a form of compensation in itself. This effect wasn't found in an exchange relationship, where, if the consumer didn't think that they got their proverbial money's worth, good treatment didn't move them to reconsider their negative evaluation of the brand.

But the plot thickens. In a second study, the researchers showed an interesting reversal of this pattern. Respectful treatment (interactional fairness) means more to those in an exchange relationship than those in a communal relationship when there has been a fair deal in terms of input and output (high distributional fairness). Since the brand has already met the expectations of those in an exchange relationship—the consumer got what they paid for—good and respectful treatment goes above and beyond. For those in communal relationships, who were already expecting to be treated positively, the same treatment doesn't have as much of an effect.

"In a nutshell, the type of relationship that consumers form with a brand influences what aspect of fairness they attend to and that in turn effects how they assess the brand when facing either fair or unfair outcomes," explains Aggarwal.

These findings are significant to businesses that are managing issues of perceived unfairness. "Adverse outcomes happen sometimes. People are treated badly or a product fails," says Aggarwal. "Marketers must understand the type of relationship that they have with the consumer so they can figure out how to make good that unfair outcome." The "right"

response to correct a brand's transgression depends on the relationship being promoted. For example, a sincere apology letter may work in a communal relationship, whereas a refund or discount would be advisable in an exchange relationship.

The study, "When consumers care about being treated fairly: The interaction of relationship norms and fairness norms" will be published in an upcoming issue of the *Journal of Consumer Psychology*.

Provided by University of Toronto

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