

When retailers strike out twice: How to turn customer revenge into reconciliation

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Canceled flights, lost luggage, a product confirmed to be "in stock" that turns out to be on back order after you've driven 20 minutes to get it—most everyone has at some time experienced anger and frustration over similar service failures. These feelings can, in turn, lead customers to take their business elsewhere, leading the firm to lose a valued patron.

But when a firm strikes out a second time - for example, by failing to resolve the initial mistake - the insult added to injury can lead customers to seek revenge by aggressively confronting frontline employees, bad-mouthing the firm or complaining to third parties to generate negative publicity. Negative impacts can include significant employee stress and further loss of business.

A new [research paper](#) by Washington State University marketing experts Jeff Joireman, Yany Grégoire, Berna Devezer and Thomas Tripp offers insight into what firms can do following failed service recoveries to earn a "second chance" by increasing [customer](#) desire for reconciliation and reducing desire for revenge.

When things go wrong with a service provider, customers search for answers, said Joireman, associate professor of marketing in the WSU College of Business. They typically focus on three things: how inconvenient was the first mishap, who was to blame for the failures and how fair was the recovery process? When customers experience a severe service failure, blame it on the firm and feel they have been treated unfairly, they often seek revenge.

Revenge and reconciliation not necessarily opposites

Though seeking revenge is a common response, the researchers suggested that customers may also want to reconcile, under the right conditions.

"Desire for revenge and reconciliation are not necessarily opposites," said Joireman. "Our paper introduces the idea that people may want to reconcile with a firm despite a two-strike situation. Whether a customer desires revenge or reconciliation hinges on whether the customer believes a firm has positive or negative motives."

According to Joireman, following a double service failure, customers might first seek revenge - for example, by posting negative comments online - but then seek to reconcile when a firm, after seeing the posts, contacts the customer to resolve the complaint.

Similarly, a customer might desire revenge and reconciliation at the same time. In this situation, a customer may want to "teach a lesson," which is a common motive for revenge, but then want to "get on with business."

Studies confirm perception drives behavior

In two initial studies, the researchers confirmed that customers get angry and seek revenge because failed service recoveries seem to imply that the firm has a negative motive and is taking advantage of them. On the flip side, if customers believe a firm's motives are positive, they are more likely to engage in steps to repair the business relationship rather than retaliate.

In a third study, the researchers tested actions a firm can take to

encourage customers to give the firm a second chance following a failed recovery. A key finding was that just saying "sorry" was not nearly as effective as when the apology was combined with compensation. The combination is viewed as a "sacrifice that benefits the victim" said Joireman, which communicates to the customer that the firm has a positive motive.

These results are important because they suggest, in contrast to what has been argued in earlier literature, that firms can have a second chance to repair relationships with customers following a double incident - under the right conditions.

"Explanations about the occurrence of the failure as well as apologies paired with compensation appear to be effective ways for firms to reduce negative customer response," said Joireman. "It is essential that [firms](#) find a way to convey their positive motives to customers."

Tools for managers

This work suggests several important implications for managers. If managers know that a customer has experienced a severe service failure and perceives the procedures used by the firm to be unfair, the manager can act quickly to help the customer perceive a positive motive and move toward reconciliation.

Additionally, managers may train frontline employees to recognize the importance of perceived motives and empower them with the skills to provide a clear explanation of the firm's positive intent or offer an apology paired with compensation, thus making customers less likely to engage in retaliatory behaviors.

More information: The article, titled "When do customers offer firms a 'second chance' following a double deviation? The impact of inferred

firm motives on customer revenge and reconciliation," is available online at [www.sciencedirect.com/science/ ... ii/S0022435913000237](http://www.sciencedirect.com/science/.../S0022435913000237)

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