

Does corporate social responsibility reduce negative reviews for bad service?

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When a company's service falls short of expectations, consumers can react harshly, spreading negative comments or changing companies. But a new study in the *Journal of Public Policy & Marketing* shows that consumers practice surprising forgiveness when the underserving company also happens to be donating to a favorite charity.

"When firms support good causes, they accrue moral capital and a reservoir of goodwill," write authors Jeff Joireman (Washington State University), Dustin Smith (Webster University), Richie Liu (Washington State University) and Jonathan Arthurs (Oregon State University). "This leads [consumers](#) to resist negative information regarding a firm."

Study participants were made to wait an unusually long time for a coffee order, after which they were delivered the wrong coffee. Many of the customers were angry, expressed regret over choosing this [coffee shop](#), made [negative comments](#) to others about this business, and did not feel they would return in the future. Some participants, however, had been told that this coffee shop engaged in vigorous support of environmental projects. Customers who believed strongly in environmental causes were less angry, expressed guilt at the thought of harming the coffee shop, and felt they might return in the future despite the poor service.

The level of forgiveness was even more dramatic among customers who were given their choice of which cause to support with their purchase. Those given the opportunity to choose a cause were the only customers in the study who, after receiving bad service, resisted any impulse to

spread negative information about the [company](#) by word of mouth or otherwise.

"Offering customers a choice of their favorite good cause is a true win-win-win solution to the inevitable service failure," the authors conclude. "Customers win, firms win, and society as a whole wins."

More information: Jeff Joireman, Dustin Smith, Richie Liu, and Jonathan Arthurs. "It's All Good: Corporate Social Responsibility Promotes Positive Response to Service Failures among Value Aligned Customers." Forthcoming in the *Journal of Public Policy & Marketing*.

Provided by American Marketing Association

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