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Companies' Responses to Negative Online Reviews

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COMPANIES' RESPONSES TO NEGATIVE ONLINE REVIEWS

A Thesis

by

CLAUDIA L. RAMOS

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COMMITTEE MEMBERS

Dr. Jennifer Lemanski

Chair of Committee

Dr. Mohammadali Zolfagharian

Committee Member

Dr. Young Joon Lim

Committee Member

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ABSTRACT

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Past research has revealed that very little research had examined services recovery

strategies in the online context. The study investigated different types of companies' responses to

negative online reviews as a service recovery strategy after a service failure.

The current research centers on the relationship between one service recovery strategy

and three online customer behavioral reactions: post-purchase cognitive dissonance, post-

recovery satisfaction and re-purchase intentions.

Participants were randomly assigned to one of five conditions and were asked to

complete a questionnaire that measured cognitive dissonance, post-recovery satisfaction and re-

purchase intention scores, as well as demographic items.

Results showed that the apology condition had a significant impact on customer's post-

purchase dissonance, post-recovery satisfaction and re-purchase intentions.

DEDICATION

I dedicate this thesis to my family. The completion of my studies would not have been possible without the love and support of my family. My father, Lauro Ramos, my mother, Patricia Michel, and my sister Laura Ramos. It is their unconditional love and support that motivate me day by day to set higher targets.

ACKNOWLEDGMENTS

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CHAPTER I

INTRODUCTION

In the last few years the importance of the role that the Internet plays in the business industry has potentially increased, making it one of the biggest marketing channels of all times. Due to this, marketers have to constantly create new tactics to increase e-commerce (Internet commerce) sales. Unfortunately research has found that organizations are doing rather a poor job taking advantage of the dialogic opportunities in new media channels that the Internet provides (Kent & Taylor, 1998; Jo & Kim, 2003; Kent, Taylor & White, 2003). In both the Internet and the physical world, the most natural way of retaining and attracting customers is by providing good quality products and adequate services before, during and after the purchase. Because the consumer is already expecting this to happen, failure to do so can have a strong impact on the customer's level of approval. Any situation involving a failure of the product or the system, in which the service provided fails to fulfill a consumer's expectation, is referred to as service failure.

Although service failures in the online context can be quite different from the physical one, old theories about consumer retention in the physical setting can also be applied to the online environment. In order to explain consumer satisfaction and consumer dissatisfaction, several theories have been proposed.

Expectancy disconfirmation theory, which is upon the basis of the cognitive dissonance theory, is the most widely accepted theory of consumer satisfaction (McQuitty, et al., 2000). Developed by Oliver in 1980, the expectancy disconfirmation theory posits that satisfaction level is a result of the difference between expected and perceived performance. When the performance is worse than expected, customer dissatisfaction occurs. After consumers face the two contrary cognitions of expected and perceived performance of the product or the service, they also experience dissonance, an uncomfortable psychological state that produces discomfort in the consumer. According to the theory of cognitive dissonance, experiencing dissonance will motivate and lead the consumer to reduce the tension (Festinger, 1957). Cognitive dissonance is one of the matured fields of research where modern psychologists have provided early insights to online consumer behavior's researchers (Irfan, 2013). Although consumer dissonance and consumer satisfaction govern different ranges of attitudes and behaviors, they both have an impact on online customer behaviors and attitudes, such as complaint behavior. Online review sites are a new type of digital channel used by consumers as a platform to file complaints directly to the company. When consumers write negative online reviews, they voice their dissatisfaction and also aim to reduce their dissonance. Stakeholders' responses to negative online reviews are a recovery strategy employed to increase satisfaction in customers. Different responses can be given to consumer complaints; the most effective ones are suggested by crisis management and service recovery theories based upon marketing and public relations principles. By further exploring the different types of responses from companies to negative online reviews, marketers are in a better position to predict how customers will react to each kind of strategy.

By responding to these types of complaints, marketers have an opportunity to transform those dissatisfied customers into satisfied ones, and to reduce consumers' dissonance.

The majority of previous studies exploring the efficacy of companies' response types to complaints in consumers' attitudes and behaviors have been conducted in a physical context rather than in an online one. Moreover, online review sites have not yet been incorporated into the consumer complaint behavior literature as a new category of complaint channel. In order to provide guidance to future theoretical and empirical research this study intends to present empirical results of the effects that different types of online company responses have on consumer's post-purchase level of dissonance, post-recovery satisfaction and future purchasing behavior.

CHAPTER II

LITERATURE REVIEW

Expectancy-Disconfirmation Theory

According to McQuitty (2000), expectancy-disconfirmation theory, which is a proposition based upon cognitive dissonance theory, is the most widely accepted theory of consumer satisfaction. Developed by Oliver in 1980, the expectancy-disconfirmation theory posits that that satisfaction level is a result of the difference between two variables, (1) expected or desired and (2) experienced or perceived performance. Each one of these variables occur in two different time periods. Expectation happens before the purchase period, when initially the customer has desire about a specific performance such as quality of products or services, and perceived performance is related to the after-purchase time, when the customer experiences the real performance of the product or the service (Bhattacherjee & Premkumar, 2004). The difference between the initial expectation or desire and the perceived experience or performance of the product or the service is known as disinformation (Bhattacherjee & Premkumar, 2004). Satisfaction is the positive disconfirmation that happens when the quality of a product or a service is higher than what the customer expected (Elkhani & Bakri, 2012; Holjevac et al., 2009).

On the other hand, negative disconfirmation occurs when the performance is worse than what the customer expected or desired, resulting in dissatisfaction (Elkhani & Bakri, 2012; Holjevac et al., 2009).

Post-recovery satisfaction. Satisfaction with the firm (or service encounters) is distinct from satisfaction with failure recovery (Maxham & Netemeyer, 2002). Customer post-recovery satisfaction is the overall degree of satisfaction after the recovery act by the service provider when a service failure occurs (Qin, et al., 2012). The post-recovery satisfaction is usually lower than customer satisfaction before a service incident, however, if appropriate service recovery is adopted by service provider, it could make the customer's post-recovery satisfaction higher than satisfaction before the incident (McCollough, et al, 2000; Smith & Bolton, 1998).

Cognitive Dissonance Theory

The cognitive dissonance theory posits that discomfort occurs when there is an inconsistency between a person's internal beliefs and external information (Festinger, 1957). The resulting psychological state called dissonance, motivates the individual to bring harmony to inconsistent elements and thereby reduce this psychological tension (Hasan & Nasreen, 2012). The theory of cognitive dissonance addresses a number of circumstances for the arousal of dissonance. One of the major situations is called post-decision dissonance, in which the dissonance-reduction mechanisms will operate after a choice has been made between two alternatives.

From a marketing standpoint, this means that when consumers make purchase decisions, choosing one product or service over others might give rise to dissonance.

For the success of the chosen company, the after-purchase consumer dissonance has to be reduced. The service providers are responsible for minimizing the consumer's dissonance to the fullest extent possible and delivering a satisfactory experience (Riscinto-Kozub, 2008). Nevertheless, to simply theorize that consumers experience cognitive dissonance after a purchase is made and that it has to be reduced is of little assistance to marketing and public relations practitioners unless they have guidance as to what can and should be done about dissonance, and what benefits will accrue if dissonance is managed (Hunt, 1970).

Keng & Liao (2009) conducted an empirical study that was the first ever to measure the impact of post-purchase dissonance on individuals making voluntary purchases in electronics stores in Taiwan. In their findings, the researchers concluded that when consumers experience the inconsistency of post-purchase dissonance, their judgment gets negatively affected (Keng & Liao, 2009). They also found that high levels of post-purchase dissonance could decrease the likelihood of consumers continuing to use the product or the service consumed (Keng & Liao, 2009). In addition to providing important findings to the business literature, Keng & Liao (2009) suggested that future studies should further explore post-purchase dissonance in different communication channels such as the Internet.

Although cognitive dissonance is integral to the consumption decision-making process, particularly in its occurrence and minimization, consumer behavior researchers have not introduced new insights in this field of study since the 1970s (Irfan, 2013).

The present study aims to further explore dissonance reduction of consumers in an online commerce setting.

Re-Purchasing Behavior

Unlike brand loyalty, in which the consumer's degree of commitment to the brand is very important, re-purchasing behavior concerns only the purchasing behavior. In other words, repeat purchasing behavior is only the actual re-buying of a brand. Khalifa and Liu (2007) stated that repurchase intention refers to the consumers' likelihood to purchase a specific product or service again from the same provider, and thus also describes the extent to which consumers desire to make a repurchase. Chang (2006) emphasized that service failures will affect customer complaints, customer satisfaction, and repeat purchases. Customer satisfaction and post-purchase behaviors are thus highly related to customer expectations and experiences with regard to the recovery activity (Bhandari, et al., 2007).

Consumer Complaint Behavior

By applying Festinger's (1957) theory of cognitive dissonance ideas to the theory of expectancy disconfirmation in consumer behavior, it can be concluded that customers will most likely try to eliminate any dissonant situations. Cognitive dissonance theory would predict that a customer experiencing negative disconfirmation or dissatisfaction, if psychologically invested in the product or service, would work to minimize the discrepancy (Vavra, 1997). One way of doing so is by complaining (Keng & Liao, 2009).

It is also believed that consumers are motivated to complain by their perceived dissatisfaction with the product or the service (Day 1984; Landon 1980).

Consequently, a large amount of the literature on post-purchase satisfaction pertains to the behavioral criteria of complaining and repurchase intention (Oliver, 1980).

Consumer complaint behavior has been defined as "...a set of all behavioral and non-behavioral responses which involve communicating something negative regarding a purchase episode and is triggered by perceived dissatisfaction with that episode" (Singh & Howell, 1985).

As stated by Goodwing et al. (1999), consumer complaint behavior is considered one of the dissatisfied consumers' coping strategies, and could be used by consumers to either change stressful transactions that occur in the marketplace, or to regulate the negative emotions that result from the transactions.

Among the literature in this area, several authors have aimed to classify the factors that initiate complaint behavior, the purposes for consumers to complain, and the types of complaints.

One of the first attempts was by Day (1980), a researcher that proposed one of the first bases for the classification of the purposes of complaining behavior in three broad categories:

1- Redress seeking: The motive is to seek specific remedies either directly or indirectly from the seller (e.g., complaining to manufacturer, taking legal action, etc.) (Day, 1980)

2- Complaining: The motive is to communicate dissatisfaction for reasons other than seeking remedy (e.g., to affect future behavior, to persuade others by word-of-mouth communication, etc.) (Day, 1980)

3- Personal boycott. The motive is to discontinue purchase of the offending service (including product, brand, store, and/or manufacturer.) (Day, 1980)

Other classification schemas have attempted to address taxonomical issues related to the consumer complaint behavior construct. For instance, Jagdip Singh (1988) proposed a schema, which extends Day and Landon's (1977) conceptualization to a three-dimensional hierarchy model that is shown to be a better representation of consumer responses.

In Singh's (1988) model there is a criterion for classifying each consumer complaint behavioral response based on identifying an object towards, which the complaint behavioral responses are directed. The model proposes three different types of objects.

1- Voice. Directed to a person external to his or her social circle (i.e. informal relationships) (Singh, 1988).

2- Private responses. Objects are internal to the social circle of the consumer, but not directly involved in the transaction (Singh, 1988).

3- Third party responses. Includes objects external to the consumer's social circle, but they are not directly involved in the dissatisfying transaction (e.g., legal agencies, newspaper, etc,) (Singh, 1988).

Albert O. Hirshman in 1970 wrote "Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations, and States" a treatise which has inspired many scholars in the consumer complaint area. In his treatise, Hirshman (1970) argues that response to a decline in the quality of an organization causes people to choose from actions of exit, voice, and loyalty.

Voice is an attempt to improve the relationship through communication of a complaint, grievance or proposal for a change. Exit refers to those people who entirely withdraw the relationship with the organization (Hirshman, 1970). Loyalty is the final construct that represents a feeling of attachment to an organization and keeps a person from leaving it, reduces the incidence and volume of voice (Hirshman, 1970).

Based on Hirshman's (1970) treatise, exit is another type that has been also included in other consumer complaint behavioral models, and is defined as "a consumer who decided not to buy a product or a service again, not to shop at a particular retailer or not to buy from a particular manufacturer again or some combination of the above" (Boote, 1988). Exit is similar to Day and Landon's (1977) no-response complaint behavior-type.

Kucuk (2008) in his conceptualization of Hirschman's (1970) exit and voice theory suggested that Hirschman's theory should be reconceptualized to incorporate the changes in our digital society.

One of the first attempts to do this was done by Hong and Lee (1995) in their "Integrated Conceptual Model of Consumer Complaint Behavior" in which online word-of-mouth (WOM) is discussed as a new type of complaint. WOM is a private response, which takes place among the consumer's social circle, with participants who are not directly involved in the transaction.

So far what we have learned from the consumer complaint behavior literature is: (1) the factors that initiate complaining (dissatisfaction and dissonance), (2) the purposes consumers have for complaining (redress seeking, to communicate dissatisfaction or to discontinue purchase of the offending service), and (3) the types of complaints (public and private).

Businesses and other companies have their own personalized Web sites, in which they may include online forums where consumer-generated reviews of the product or the brand can be posted; easy, quickly and free of cost.

These types of messages, termed online reviews, are employed in the marketing field to provide consumers an opportunity to rate their purchase decision and product/service satisfaction by posting a positive or negative review either on the company's Web site or in other consumer-generated review sites. If a negative online review is posted in the company's Web site, or on a Web site of a retailer carrying the product, the complaint instantly becomes public.

Thus, the complaining efforts intended directly to the company itself do not fall under any previous taxonomy of complaining behavior discussed in the consumer complaint behavior literature. Thus far, to our knowledge, negative online reviews are a new type of consumer complaint that have not yet been incorporated into the consumer complaint literature.

For this reason, in the present study a new taxonomy for the consumer complaint behavior types and its responses is proposed. In this model, online reviews are suggested to be integrated as a new category of consumer complaints.

Service Failure and Service Recovery in the Online Setting

As mentioned before, according to the theory of cognitive dissonance, experiencing dissonance will motivate and lead the consumer to reduce his or her tension (Festinger, 1957), and one way of doing so is by complaining directly to the company that provided the service (Singh, 1988; Jen-Hung & Chiao, 2008; Keng & Liao, 2009). On the other hand, marketers also have an opportunity to reduce the dissonance that consumers are experiencing by using an effective response to their complaints.

At the same time when marketers respond effectively to consumer complaints, they can increase the satisfaction level of the complainers. It is here where marketers play their part.

Any actions designed to resolve problems, alter negative attitudes of dissatisfied consumers, and ultimately retain customers is considered a service recovery strategy (Miller et al., 2000).

In 2000, Tax and Brown identified service recovery as one of the key ingredients to developing customer relationships, enhancing loyalty and influencing future behavioral intentions. Abrams and Pease (1993) suggested that when service failures are successfully managed, customers may feel a stronger commitment to the company compared to if no failure had occurred in the first place.

The service quality literature describes the term "recovery" which means that dissatisfied customers may (should) be converted into satisfied customers (hence recovered) through exemplified responsiveness of service providers (Singh, 1996).

Miller et al. (2000) developed the service failure recovery framework and found that a successful recovery is positively related to loyalty, satisfaction, and retention. Thus, understanding how to provide appropriate service recovery is of high importance for the establishment or maintenance of sustainable customer relationships (Wang, et. al, 2011).

Although service failures are determined from a customer's point of view and are impossible to completely avoid (Watson, 2012), service providers can learn how to respond to them (Wang, et al., 2011).

Nevertheless, because online customers experience different types of service failures relative to traditional retail settings, online companies must employ different series of recovery strategies compared to traditional retail settings (Forbes et al., 2005).

Despite the importance of understanding which service recovery strategy is most effective online, few research studies have aimed to investigate service recovery strategies in the Web environment. According to Wang, et. al. (2011), online service recovery is a newly emerging topic in service recovery literature and has not yet established extensive research streams (Wang, et. al, 2011). This knowledge gap motivated the present research to test the performance of five types of e-retailers' recovery strategies (apology, excuse, justification, denial and no-response) to negative online reviews (complaints) posted on a business page.

Companies Responses to Negative Online Reviews

Different authors have aimed to classify the types of service recovery strategies into varied categories.

One of the best typologies classifies service recovery strategies into two main types, psychological recovery strategies and tangible recovery strategies (Miller, et al., 2000). Psychological recovery strategies are described as the use of psychological resources, which attempt to ameliorate the situation by showing concern for customer needs (Miller, et al., 2000). On the other hand, tangible recovery strategies refer to the use of economic resources to compensate customers for the inconvenience (Miller, et al., 2000). The present study will explore types of psychological service recovery strategies in the online context.

The way in which businesses respond to negative online reviews is not always the same. Effectiveness of this type of service recovery strategy depends on the kind of response that will be given to the consumer.

By posing the question " how does responding to negative online reviews affect consumer judgment and evaluations of the product, the producer and the reviewer? " Kerkhof (2009) reported one of the first studies in which different organizational responses (apology, refutation, no response) to a negative online consumer review were tested in an experiment.

The results showed that refutation of the claims in a negative consumer review leads to lower corporate credibility and to higher reviewer credibility, whereas apologizing had no effect on these variables (Kerkhof, 2009). Both apologizing and refutation (as opposed to not responding) made participants rate the complaint in the review as more severe.

CHAPTER III

DEVELOPMENT OF HYPOTHESES

In the current research, crisis management and crisis communication, two PR fields that are focused on studying the strategies that companies use to communicate with the public whenever there is a service failure, guided the development of the independent variable conditions of the study. In addition to this, a classification of verbal strategies in interpersonal communication proposed by Tedeschi & Reiss (1981), used in interpersonal impression management, also served to expand the definitions of each type of service recovery strategy used in the present study.

As was previously stated, in order to manage online service failures, such as negative online reviews, a wide variety of service recovery strategies can be used. The current research will explore five of the most psychological service recovery strategies explored in the psychical context: (1) apology, (2) excuse, (3) justification, (4) denial, and (5) no response.

Apology. Apologies are defined in the interpersonal communication literature as messages containing both acknowledgments of blameworthiness for a negative event and attempts to obtain a pardon and mitigate the negative repercussions for an event (Tedeschi & Reiss, 1981). The definition of apology in crisis communication is "management accepts full responsibility for the crisis and asks stakeholders for forgiveness." (Coombs, 2006).

In a study exploring satisfaction to costumer complaints, it was found that apologizing to dissatisfied costumers by using mailed letters positively influenced satisfaction and repurchase intentions among customers (Tax, Brown, & Chandrashekaran, 1998).

*Excuse***.** In the interpersonal literature, excuses are defined as an attempt to alleviate responsibility for an event (Bolkan & Daly, 2009). People using excuses admit an act was done but deny personal responsibility for the event (Tedeschi & Reiss, 1981). Crisis communication and crisis management describe excuses as "a management attempt to minimize crisis responsibility by claiming lack of control over the event or lack of intent to do harm" (Coombs & Holladay, 2010).

An empirical study conducted by Kerkof (2009) that investigated the reactions that online reviewers had in consumer judgment of the product, the producer and the review(er) to three types of organizational responses (apologizing, refuting, and no response), found that excuses of the claims lead to lower corporate credibility. In another empirical research study evaluating excuses as one type of organizational response to online reviews, Bolkan and Daly (2009) found that excuses mitigate perceptions of perceived company control over a failure situation.

Justification. According to the interpersonal communication literature, justifications are an attempt to alleviate the undesirability of an event (Tedeschi & Reiss, 1981). People using justifications accept responsibility for an event but make an effort to decrease the perceived severity of its negative outcomes (Bolkan & Daly, 2009). From the standpoint of crisis communication and crisis management, justification is defined as " a management attempt to minimize the perceived damage caused by the crisis." (Coombs, 2006).

The presence of justifications in corporate responses has been associated with high consumer satisfaction (compared to excuses), and consumers are more likely to do future business with organizations when given justifications instead of excuses (Conlon & Murray, 1996). Conlon and Murray (1996) proposed that consumers prefer justifications compared to excuses because they expect organizations to maintain control over the processes of their business.

Denial. In crisis communication, corporate apologia, a rhetorical concept that explores the use of communication for self-defense, defines refutation or denial as a type of tactic in which an organization is accused of impropriety and, in effect, responds by denying any wrongdoing. (Ware and Linkugel, 1973; Hearit, 2006).

Image restoration is a theory of crisis communication that uses communication to speak in favor of a reputation.

Drawing from rhetorical and interpersonal communication, image restoration defines denial as a simple response of "did not do it". (Benoit, 1995). In an empirical study (Johar, 2000), refutation of a claim has been found to have a negative effect on corporate credibility. According to Johar & Simmons (2000), claiming refutation might backfire by positively influencing the credibility of the reviewer and the perceived severity of the complaint because readers may contrast the intentions of the reviewer to the negative impression of an organization that does not take responsibility.

In addition to the four conditions described previously, no-response from the company was another type of answer that was measured in the study.

Non-response. Whether by choice or not, businesses sometimes do not answer online consumer reviews. In a typology of electronic commerce retail failures and the corresponding service strategies created by Forbes et al. in 2005, to do nothing is classified as all the incidents that involve situations in which the company does not attempt to resolve the failure, or the customer does not pursue a recovery following the service experience. This type of non-recovery has been found to have the lowest satisfaction level compared to other 11 recovery strategies (Forbes et al., 2005). In addition to this, to do nothing, was the second non-recovery strategy most likely to lead to switching to another brand, as well as being the second largest category in terms of frequency of occurrence (Forbes et al., 2005).

Based upon the literature reviewed, the following hypotheses are proposed.

H1. In response to negative online reviews, relative to no response, apology will result in (a) lower cognitive dissonance, (b) higher post-recovery satisfaction, and (c) higher customer's re-purchase intentions.

H2. In response to negative online reviews, relative to denial, apology will result in (a) lower cognitive dissonance, (b) higher post-recovery satisfaction, and (c) higher customer's re-purchase intentions.

H3. In response to negative online reviews, relative to excuse, apology will result in (a) lower cognitive dissonance, (b) higher post-recovery satisfaction, and (c) higher customer's re-purchase intentions.

H4. In response to negative online reviews, relative to no response, justification will result in (a) lower cognitive dissonance, (b) higher post-recovery satisfaction, and (c) higher customer's re-purchase intentions.

H5. In response to negative online reviews, relative to denial, justification will result in (a) lower cognitive dissonance, (b) higher post-recovery satisfaction, and (c) higher customer's re-purchase intentions.

H6. In response to negative online reviews, relative to excuse, justification will result in (a) lower cognitive dissonance, (b) higher post-recovery satisfaction, and (c) higher customer's re-purchase intentions.

Despite calls for increasing investments in online complaint handling, little is known about how consumers evaluate a company's response to negative online reviews or how those efforts influence subsequent customer attitudes and behaviors.

By further exploring and understanding different types of responses from companies to negative online reviews, marketers are in a better position to predict how customers will react to each kind of tactic. In order to provide guidance to future theoretical and empirical research this study intends to present empirical results of the effects of different types of online companies' responses to negative online reviews.

Moreover, this investigation intends to offer suggestions and recommendations on how organizational outcomes can be enhanced through the effective management of online reviews. Furthermore, this paper addresses the need for marketing researchers to further explore and understand the use of service recovery strategies in the online context and their consequences in the final stage of consumer decision-making.

The results of the current empirical study will clarify the importance of using an appropriate type of response, so that marketers will be able to develop effective online complaint handling programs.

CHAPTER IV

METHOD

Pre-test of Manipulation Check

In order to ensure that the participants would perceive each condition as intended, prior to the main experiment, a pre-test of the manipulation check for the independent variable was created.

The principal investigator randomly gave 80 undergraduate students a voluntary informed consent form and one questionnaire that included one question that measured one of the four conditions (apology, denial, excuse, justification) explored in the study. For each condition, 20 students completed a questionnaire. The questionnaires consisted of an example of the condition, a definition of the condition, and a question about its similarity to the definition of the condition. For apology, 14 participants out of 20 or 70 % agreed that the paragraph included an apology. In the excuse condition, 16 participants out of 20 or 80%, agreed that the paragraph in the example contained an excuse. In the justification questionnaire, 12 participants out of 20 or 60% believed that the paragraph of the questionnaire was using a justification. For the last condition of the manipulation check (denial), 16 participants out of 20 or 80% concurred in that the question of the study included a denial.

Data Collection

In order to gather the participants for the experiment, faculty from a large university in the south that teach undergraduate classes were asked to help recruit students from their classes via an e-mail invitation.

The e-mail introduced the principal investigator, the purpose of the study and provided a link to the online questionnaire. It also provided details on the procedure of the study: send an e-mail to students asking them for their participation in the study, briefly describing the study and providing them the link to the questionnaire. At the end of the e-mail, it was explained that the study had been reviewed and approved by the IRB.

Main Study

First in the online questionnaire of the study each participant was given an online voluntary informed consent form, which stated that the study was anonymous and that there were no risks involved. Each participant could decide whether or not to continue with the study by agreeing or disagreeing with the voluntary consent form. See Appendix A, page 46.

Then the participants were asked to read a fake case-scenario of a purchasing experience where a dissatisfied customer wrote a fake negative online review to a Web site of a photography company.

Next, the participants were exposed to a random simulated response from the same company with one of the five conditions (apology, excuse, justification, denial, no-response).

For the final stage, the participants completed the three scales that measured post-purchase dissonance, post-recovery satisfaction and re-purchasing behavior.

Materials

A multi-dimensional instrument developed by Sweeney, Hausknecht and Soutar (2000) and Soutar and Sweeney (2003) was used to measure post-purchase cognitive dissonance in consumers. The scale has strong content, discriminant and criterion-related validity, as well as high level of reliability (.82). (Sweeney, Hausknecht & Soutar, 2000); Soutar and Sweeney, 2003). In order to measure post-recovery satisfaction, the scale of "Satisfaction with Complaint Handling" created by Oliver and Swan (1989) was adapted. The scale possesses strong reliability, Cronbach's alpha .85. Re-purchase intentions in consumers were measured using a scale developed by Maxham and Netemeyer (2002).

The measurement scale has high reliability with a Cronbach's alpha of .95. All three measurement scales items were adapted to be 5-point likert-type scale items, with 5 being strongly agree, and 1 being strongly disagree. See Appendix A.

CHAPTER V

RESULTS

For the study 419 responses were collected. Once incomplete responses were eliminated, 295 responses were usable. The participants ranged in age from 18 to 49, with a mean of 22.17, and a standard deviation of 5.517. Of the participants, 87% were Hispanic, 5.8% were Caucasian, 4.1% were Asian, and 2.8% were from another ethnicity.

Realism

No significant difference in realism between the five conditions $F_{(4,290)} = 1,529$, $p > .05$ No condition was reported as being more realistic than any other one, see Table 1.

Table 1. Realism ANOVA

	Sum of Squares	df	Mean Square	F	Sig
Between groups	4.402	4	1.100	1.529	.194
Within Groups	208.695	290	.720		
Total	213.097	294			

Three separate one-way analysis of variance test were performed to determine the differences between post-purchase cognitive dissonance, post-recovery satisfaction, and re-purchase intentions among the five conditions.

Cognitive dissonance

A one-way analysis of variance (ANOVA) for cognitive dissonance of participants who were exposed to the different company response conditions (apology, denial, justification, excuse, and no-response) was performed on the data. This test was found to be statistically significant, $F_{(4,290)}=5,416, <.001$. See Table 2.

It had been predicted in Hypothesis 1a, that the use of apologies in a response to a negative online review would result in lower cognitive dissonance scores when compared to no response. Hypothesis 1a was supported by the data. A Tukey HSD test indicated that the mean for apology (M=2.37, SD=.85) of the participants who were exposed to the apology condition was significantly greater than the mean no-response. See Appendix B, Table 6.

Hypothesis 2a hypothesized that the use of apologies in a response to a negative online review would result in lower cognitive dissonance scores when compared to denial. The evidence supported this hypothesis. Hypothesis 2a was supported by the data. A Tukey HSD test indicated that the mean for apology (M=2.37, SD=.85) of the participants who were exposed to the different conditions was significantly greater than the mean for denial, see Appendix B, Table 6.

H3a hypothesized that the use of apologies in a response to a negative online review would result in lower cognitive dissonance scores when compared to excuses. Hypothesis H3a was supported by the data. A Tukey HSD test indicated that the mean for apology (M=2.37, SD=.85) of the participants who were exposed to the different conditions was significantly greater than the mean for excuse. See Appendix B, Table 6.

Hypothesis 4a hypothesized that the use of justification in a response to a negative online review would result in lower cognitive dissonance scores when compared to no response. Upon analysis of the data this hypothesis was not supported. There was no significant difference between the cognitive dissonance scores for participants in the justification condition. See Appendix B, Table 6.

Hypothesis 5a hypothesized that the use of justification in a response to a negative online review would result in lower cognitive dissonance scores when compared to denial. However, this finding was not statistically significant. Therefore, Hypothesis H5a was not supported. See Appendix B, Table 6.

Hypothesis 6a hypothesized that the use of justification in a response to a negative online review would result in lower cognitive dissonance scores when compared to excuse. However, this finding was not statistically significant. Therefore, Hypothesis H6 was not supported. See Appendix B, Table 6.

Table 2 – ANOVA for post-purchase cognitive dissonance

	Sum of Squares	df	Mean Square	F	Sig
Between groups	9.916	4	2.479	5.416	.000
Within Groups	132.736	290	.458		
Total	142.652	294			

Post-recovery Satisfaction

A second one-way analysis of variance (ANOVA) for post-recovery satisfaction of participants who were exposed to the different company response conditions (apology, denial, justification, excuse, and no-response) was performed on the data. This test was found to be statistically significant, $F(4,290)=16,991$, $p < .001$. See Table 3.

Hypothesis 1b Hypothesized that the use of apologies would result in high post-recovery satisfaction scores than the no response condition. H1b was supported by the data. A Tukey HSD test supported this hypothesis by indicating that the mean for apology (M=3.38, SD=1.14) of the participants who were exposed to the different conditions was significantly greater than the mean for no-response. See Appendix B, Table 9.

Hypothesis 2b hypothesized that the use of apologies in a response to a negative online review would result in higher post-recovery satisfaction scores when compared to denial. H2b was supported by the data. A Tukey HSD test supported this hypothesis by indicating that the mean for apology (M=3.38, SD=1.14) of the participants who were exposed to the different conditions was significantly greater than the mean for no-response. See Appendix B, Table 9.

Hypothesis 3b hypothesized that the use of apologies in a response to a negative online review would result in higher post-recovery satisfaction scores when compared to excuse. A Tukey HSD test supported this hypothesis by indicating that the mean for apology (M=3.38, SD=1.14) of the participants who were exposed to the different conditions was significantly greater than the mean for excuse. See Appendix B, Table 9.

Hypothesis 4b hypothesized that the use of justification in a response to a negative online review would result in higher post-recovery satisfaction scores when compared to no response.

This hypothesis was not supported upon analysis of the data. There was no significant difference between the post-recovery satisfaction scores for participants in the excuse condition. See Appendix B, Table 9.

Hypothesis 5b hypothesized that the use of justification in a response to a negative online review would result in higher post-recovery satisfaction scores when compared to denial. However, this finding was not statistically significant. Therefore, Hypothesis H5b was not supported. See Appendix B, Table 9.

Hypothesis 6b hypothesized that the use of justification in a response to a negative online review would result in higher post-recovery satisfaction scores when compared to excuse. This hypothesis was not supported upon analysis of the data. There was no significant difference between the post-recovery satisfaction scores for participants in the excuse condition. See Appendix B, Table 9.

Table 3 – ANOVA for post-recovery satisfaction

	Sum of Squares	df	Mean Square	F	Sig
Between groups Within Groups Total	70.165 299.396 369.561	4 290 294	17.541 1.032	16.991	.000

Re-purchase intentions

A third one-way analysis of variance (ANOVA) for re-purchase intentions of participants who were exposed to the different company response conditions (apology, denial, justification, excuse, and no-response) was performed on the data. This test was found to be statistically significant, $F_{(4,290)} = 8,672, < .001$. See Table 4.

Hypothesis 1c stated that the use of apologies in a response to a negative online review would result in higher customer's re-purchase intentions' scores when compared to no response.

A Tukey HSD test indicated that the mean for apology (M=2.99, SD=.88) of the participants who were exposed to the different conditions was significantly greater than the mean for no response. Therefore, Hypothesis 1c was supported. See Appendix B, Table 12.

Hypothesis 2c hypothesized that the use of apologies in a response to a negative online review would result in higher re-purchase intentions scores when compared to denial. A Tukey HSD test indicated that the mean for apology (M=2.99, SD=.88) of the participants who were exposed to the different conditions was significantly greater than the mean for denial. Therefore, Hypothesis c2 was supported. See Appendix B, Table 12.

Hypothesis 3c hypothesized that the use of apologies in a response to a negative online review would result in higher re-purchase intentions scores when compared to excuse. A Tukey HSD test indicated that the mean for apology (M=2.99, SD=.88) of the participants who were exposed to the different conditions was significantly greater than the mean for excuse. Therefore, Hypothesis 3c was supported. See Appendix B, Table 12.

Hypothesis 4c hypothesized that the use of justification in a response to a negative online review would result in higher re-purchase intentions scores when compared to no response.

This hypothesis was not supported upon analysis of the data. There was no significant difference in the re-purchase intentions scores for participants between the no response and justification condition. See Appendix B, Table 12.

Hypothesis 5c hypothesized that the use of justification in a response to a negative online review would result in higher re-purchase intentions scores when compared to no denial. However, this finding was not statistically significant. Therefore, Hypothesis H5c was not supported. See Appendix B, Table 12.

Hypothesis 6c hypothesized that the use of justification in a response to a negative online review would result in higher re-purchase intentions scores when compared to excuse. This hypothesis was not supported upon analysis of the data. There was no significant difference in the re-purchase intentions scores for participants between the excuse and justification condition. See Appendix B, Table 12.

Table 4 – ANOVA for re-purchase intention

	Sum of Squares	df	Mean Square	F	Sig
Between groups	28.403	4	7.101	8.672	.000
Within Groups	237.441	290	.819		
Total	265.843	294			

CHAPTER VI

DISCUSSION

After a service failure has occurred and a customer has voiced his or her dissatisfaction by complaining online, he or she is expecting that the company will handle the situation. Depending on the type of service recovery used by the company, the customer's expectation will lead to different attitudes and behaviors. If companies choose to respond to the customer's complaint as a service recovery strategy, different reactions from the customers can be expected depending on the way the company responds to the negative online review. In the current study, five different types of responses (apology, excuse, justification, denial, no-response) were tested to explore their effectiveness in terms of post-purchase cognitive dissonance, post-recovery satisfaction and customer re-purchase intentions.

A prior research study exploring customer complaints by letters conducted by Tax, Brown, and Chandrashekaran in 1998 found that apologizing to dissatisfied customers by mailed letters positively influenced satisfaction and re-purchase intentions among customers. The data found in the current study agrees with the authors' findings, despite the use of a different type of communication channel (Internet vs. mail).

It was hypothesized that relative to no response, denial and excuse, the use of apologies in a company's response to a negative online review will result in lower cognitive dissonance. According to the current findings, post-purchase cognitive dissonance levels in a customer will decrease if a company responds to their negative online review with an apology. Perhaps this could be because an apology is often used as a consolation received by a person after a disappointment. The words "I am sorry" are automatically associated with comfort and reassurance and people usually feel good and/or better when these words are used. It could be that, after companies respond by using an apology to a customer experiencing the discomforting state of dissonance, the levels of dissonance are reduced.

It was also hypothesized that relative to no response, denial and excuse, the use of apologies in a company's response to a negative online review will result in higher post-recovery satisfaction scores. This hypothesis was supported by the data. Even if at the beginning of the situation the service failure was not the company's fault, it was still their problem. The explanation for the use of apologies and the increasement in post-recovery satisfaction levels in customers could be attributed to the fact that customers perceive that the company controlled the problem and that some sort of fairness and justice took place. Due to this, the satisfaction levels in the customer rise.

A third finding in the present study was that relative to no response, denial and excuse, the use of apologies by a company in a response to a negative online review increases future re-purchase intentions in customers. The reasoning behind this could be because customers develop a certain degree of trust towards the company.

Hence, it is because of this newly developed degree of trust that customers are now willing to purchase again from the same company.

Justifications are an attempt to alleviate the undesirability of an event (Tedeschi & Reiss, 1981). People using justifications accept responsibility for an event but make an effort to decrease the perceived severity of its negative outcomes (Bolkan & Daly, 2009). The use of justifications in companies' responses to complaints had been associated with high consumer satisfaction, and consumers are more likely to do future business with organizations when given justifications instead of excuses (Conlon & Murray, 1996). It was hypothesized that relative to no response, denial and excuse, the use of justifications in a company's response to a negative online review will result in lower cognitive dissonance, higher post-recovery satisfaction, and higher customer's re-purchase intentions. These Hypotheses were not supported by the data found in the current study. This could be because of the different demographics used for the studies conducted in the past and the demographics for the current study. Although we are not certain of which demographics were used in the study conducted by Bolkan and Daly (2009), we are aware that the majority of our participants were Hispanics. Perhaps a justification is not enough for a Hispanic consumer in terms of what customers expect after complaining to a service failure. Alternatively, perhaps the online environment is one where consumers are more sensitive to apologies.

When companies use denial in a response, they deny any wrongdoing (Hearit , 2006), and do not take any responsibility for the service failure. In past studies, the use of denial has been found to have a negative effect on corporate credibility.

Although corporate credibility was not measured in the current study, a negative effect in consumers' attitudes and behaviors was expected in the condition that used denial. However, this study did not find any data to support this fact.

For instance, Kerkof (2009) explored the reactions that online reviewers had on consumer judgment of the product, the producer and the reviewer to organizational responses, and found that using excuses led to lower corporate credibility, a negative attitudinal effect customers develop. Due to this, the use of excuses in a response to a negative online review by a company was expected to have a negative impact on customer post-recovery satisfaction, re-purchase intentions and an impact on post-purchase dissonance by increasing their dissonance scores. By analyzing the data gathered in his study, it can be concluded that using excuses in a company response to a negative online review has no positive or negative effect in post-purchase dissonance, post-recovery satisfaction, and re-purchase intentions.

Another type of company response analyzed in the present study was when a company does not respond to the consumer complaint. To not respond or to do nothing when a customer post an online complaint, is classified as all the incidents that involve situations in which the company does not attempt to resolve the failure (Forbes et al., 2005). The company is not taking any responsibility nor trying to decrease the perceived negative outcomes of it. There were not significant findings for this condition. Perhaps this could be attributed to the fact that when people communicate online, most of the time they seek a response, which would make them feel like they have been heard. Not responding to a complaint online probably makes them feel ignored.

The findings from this study suggest that if companies want to retain customers, increase their levels of satisfaction or to decrease their levels of post-purchase cognitive dissonance in consumers that use online reviews to complain, they should always respond to the complaint by using a proper and sincere apology.

CHAPTER VII

LIMITATIONS AND FUTURE DIRECTIONS

This investigation used a sample of undergraduate college students, which limits the ability to generalize the results to a large population. Additionally, the majority of the convenience sample used in this study was Hispanic and all were undergraduate students. Although the Hispanic consumer base is powerful and important, perhaps Hispanic consumers differ in their reactions to company responses. Research should continue to explore the issues from the perspectives of different cultural, age group, and individual difference standpoints. This could contribute to new findings and companies could benefit from these discoveries.

Future research concerning levels of sincerity in an apology of a company's response to a negative online review would be helpful in this field. In addition to this, research exploring the relationship between re-purchase intentions and trust in an online service failure is also suggested. Furthermore, studies that investigate other online service recovery strategies would be an important addition to the knowledge base.

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APPENDIX A

APPENDIX A

Manipulation Check

Apology

Directions. Please read the following paragraph carefully. After you are done reading, please answer the question with a yes or no.

Dear customer,

First of all, we are deeply sorry to hear that you were not satisfied with your experience in purchasing your camera. This is highly uncharacteristic of our cameras, as we pride ourselves on the good quality and fair prices of our products. We would like to direct you to our General Manager: Michael Sanders to try and amend this situation. You can reach him at 956-323-34-31. Once again, we apologize for the inconvenience and hope that you can move forward the bad experience, and find a solution.

1. The paragraph above contains a message with both acknowledgments of blameworthiness for a negative event and attempts to obtain a pardon and mitigate the negative repercussions for an event: _____

Excuse

Directions. Please read the following paragraph carefully. After you are done reading, please answer the question with a YES or NO.

Dear customer,

We understand that the product that you purchased it was damaged. However, we are not responsible for any damages that could have been done by using the ground shipping method. We would like to direct you to our General Manager: Michael Sanders. You can reach him at (956) 323 34 31.

1. The response above showed that the company admitted an act was done but denied personal responsibility _____

Justification

Directions. Please read the following paragraph carefully. After you are done reading, please answer the question with a YES or NO.

Dear customer,

We understand your problem. Canon is responsible for the damage of your charger. Fortunately the situation can be resolved by simply purchasing an inexpensive charger. We would like to direct you to our General Manager: Michael Sanders. You can reach him at (956) 323 34 31.

3. The response showed the company accepted responsibility for the event but made an effort to decrease the perceived severity of its negative outcomes: _____

Denial

Directions. Please fill in the following item by using the numbers below to indicate how much you agree or disagree with each statement.

Dear customer,

Canon is no responsible for your unfortunate situation. This couldn't have happened to one of our products. We would like to direct you to our General Manager: Michael Sanders. You can reach him at (956) 323 34 31.

4. In the response showed above, the company responds by denying any wrongdoing _____

Main Study's Online Questionnaire

Directions:

    I. Please answer the following question.

1. What is your age? _____

    II. Please mark with an "X" the right answer to the following questions

2. Please specify your ethnicity:

- White ___

- Hispanic or Latino ____

- Black or African American ____

- Native American or American Indian ____

- Asian / Pacific Islander ____

- Other____

3. What is the highest degree or level of school you have completed?

If currently enrolled, highest degree received.

- Freshman ____

- Sophomore: ____

- Junior: ____

- Senior: ____

III. Please read the following scenario carefully. After you are done reading, please answer the questionnaire.

Imagine that you have just bought a new camera online from www.canon.com.

You came across some damages of the camera and write the following review in the company's Web site:

February 24, 2014

Title: Bad Battery.

No, I would not recommend this to a friend.

I had trouble charging the camera after I bought it. It is so bad! When I got the camera in the mail the battery charger was somewhat damaged. I am unable to properly charge it. It's been sitting in the drawer for two months.

Some days after you wrote the review, you realize that the company posted the following response to your complaint.

Condition N.1. APOLOGY

Dear customer,

First of all, we are deeply sorry to hear that you were not satisfied with your experience in purchasing your camera. This is highly uncharacteristic of our cameras, as we pride ourselves on the good quality and fair prices of our products.

We would like to direct you to our General Manager: Michael Sanders to try and amend this situation. You can reach him at 956-323-34-31. Once again, we apologize for the inconvenience and hope that you can move forward the bad experience, and find a solution.

Condition N.2. EXCUSE (People using excuses admit an act was done but deny personal responsibility for the event.

Dear customer,

We understand that the product that you purchased it was damaged. However, we are not responsible for any damages that could have been done by using the ground shipping method. We would like to direct you to our General Manager: Michael Sanders. You can reach him at (956) 323 34 31.

Condition N.3. JUSTIFICATION (People using justifications accept responsibility for an event but make an effort to decrease the perceived severity of its negative outcomes.)

Dear customer,

We understand your problem. Canon is not responsible for the damage of your charger. Fortunately the situation can be resolved by simply purchasing an inexpensive charger. We would like to direct you to our General Manager: Michael Sanders. You can reach him at (956) 323 34 31.

Condition N.4. DENIAL

Dear customer,

Canon is no responsible for your unfortunate situation. This couldn't have happened to one of our products. We would like to direct you to our General Manager: Michael Sanders.

You can reach him at (956) 323 34 31.

Condition N.5. NO-RESPONSE

A few days after your wrote the review, you realize that the company did not post a response to your online review.

III. Please fill in the following items by using the numbers below to indicate how much you agree or disagree with each statement.

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

1. I had no difficulty imagining myself in this situation: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

2. The situation was realistic: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

After I read the company's response to my review:

1. I was in despair: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

2. I resented it: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

3. I felt disappointed with the company: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

4. I felt scared: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

5. I felt hollow: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

6. I felt angry: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

7. I felt uneasy: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

8. I felt annoyed: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

9. I felt frustrated: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

10. I was in pain: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

11. I felt depressed: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

12. I felt furious with the company: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

13. I felt sick: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

14. I was in agony: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

15. I am unhappy with how the company handled my complaint: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

16. I am satisfied with how the organization handled my complaint: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

17. I am pleased with the manner in which the complaint was dealt with: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

18. In the future, I intend to purchase from this brand: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

19. In the future, I will continue using this brand: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

20. If I need another one, I will still purchase this product: _____

(5) Strongly agree   (4) Agree   (3) Neutral   (2) Disagree   (1) Strongly disagree

APPENDIX B

APPENDIX B

TABLES

Table 5- One-way for post-purchase cognitive dissonance

COGDISS	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Max
					Lower Bound	Upper Bound		
1.00	51	2.3768	.85739	.12006	2.1356	2.6179	1.00	4.71
2.00	64	2.8594	.72765	.09096	2.6776	3.0411	1.14	4.64
3.00	75	2.7905	.65658	.07582	2.6394	2.9415	1.00	4.29
4.00	64	2.9141	.56044	.07005	2.7741	3.0541	1.50	4.14
5.00	41	2.8328	.52285	.08166	2.6777	2.9978	1.64	3.93
Total	295	2.7666	.69657	.04056	2.6868	2.8464	1.00	4.71

Table 6- Tukey HSD for post-purchase cognitive dissonance

Dependent Variable (I) COND (J) COND		Mean Difference (I-J)	Std. Error	Sig
Tukey HSD 1.00	2.00	-.48262	.12699	.002
	3.00	-.41373*	.12279	.008
	4.00	-.53731*	.12699	.000
	5.00	-.45600*	.14191	.013
2.00	1.00	.48262*	.12699	.002
	3.00	.06890	.11513	.975
	4.00	-.05469	.119660	.991
	5.00	.02662	.13533	1.000
3.00	1.00	.41373*	.12279	.008
	2.00	-.06890	.11513	.975
	4.00	-.12359	.11513	.820
	5.00	-.04228	.13140	.998
4.00	1.00	.53731*	.12699	.000
	2.00	.05469	.11960	.991

3.00	.12359	.11513	.820
5.00	.08131	.13533	.975
5.00 1.00	.45600*	.14191	.013
2.00	-.02662	.13533	1.000
3.00	.04228	.13140	.998
4.00	-.08131	.13533	.975

Table 7- Multiple Comparisons for post-purchase cognitive dissonance

		95%Confidence Interval	
Dependent Variable (I) COND (J) COND		Lower Bound	Upper Bound
COGDISS 1.00	2.00	-.8312	-.1340
	3.00	-.7507	-.0767
	4.00	-.8859	-.1887
	5.00	-.8455	-.0665
2.00	1.00	.1340	.8312
	3.00	-.2471	.3849
	4.00	-.3830	.2736
	5.00	-.3449	.3981
3.00	1.00	.0767	.7508
	2.00	-.3849	.2471
	4.00	-.4396	.1924
	5.00	-.4030	.3184
4.00	1.00	.1887	.8859
	2.00	.2736	.3830
	3.00	-.1924	.4396
	5.00	-.2920	.4528
5.00	1.00	.0665	.8455
	2.00	-.3981	.3449
	3.00	-.3184	.4030
	4.00	-.4528	.2902

Table 8- Oneway for post-recovery satisfaction

					95% Confidence Interval for Mean			
POSRECO	N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Max
1.00	51	3.3856	1.14770	.16071	3.0628	3.7084	1.00	5.00

2.00	64	2.3385	1.05659	.13207	2.0746	2.6025	1.00	5.00
3.00	75	2.1733	1.09922	.12693	1.9204	2.4262	1.00	5.00
4.00	64	1.9323	.94127	.11766	1.6972	2.1674	1.00	4.67
5.00	41	2.1301	.67032	.10469	1.9185	2.3417	1.00	4.00
Total	295	2.3605	1.12116	.65528	2.2320	2.4889	1.00	5.00

Table 9- Tukey HSD for post-recovery satisfaction

Dependent Variable (I) COND (J) COND		Mean Difference (I-J)	Std. Error	Sig
Tukey HSD 1.00	2.00	1.04708*	.19072	.000
	3.00	1.21229*	.18441	.000
	4.00	1.45333*	.19072	.000
	5.00	1.25554*	.21312	.000
2.00	1.00	-1.04708	.19072	.000
	3.00	.16521	.17291	.875
	4.00	.40625	.17962	.160
	5.00	.20846	.20325	.843
3.00	1.00	-1.21229*	.18441	.000
	2.00	-.16521	.17291	.875
	4.00	.24104	.17291	.632
	5.00	.04325	.19735	.999
4.00	1.00	-1.45333*	.19072	.000
	2.00	-.40625	.17962	.160
	3.00	-.24104	.17291	.632
	5.00	-.19779	.20325	.867
5.00	1.00	-1.25554*	.21312	.000
	2.00	-.20846	.20325	.843
	3.00	-.04325	.19735	.999
	4.00	.19779	.20325	.867

Table 10- Multiple Comparisons for post-recovery satisfaction

		95%Confidence Interval	
		Lower Bound	Upper Bound
Dependent Variable (I) COND (J) COND			
POSTREC 1.00	2.00	.5235	1.5706
	3.00	.7061	1.7185
	4.00	.9298	1.9769
	5.00	.6705	1.8406

			-1.5706	-.5235
2.00	1.00		-1.5706	-.5235
	3.00		-.3094	.6398
	4.00		-.0868	.8993
	5.00		-.3495	.7664
3.00	1.00		-1.7185	-.7061
	2.00		-.6398	.3094
	4.00		-.2336	.7157
	5.00		-.4985	.5850
4.00	1.00		-1.9769	-.9298
	2.00		-.8993	.0868
	3.00		-.7157	.2336
	5.00		-.7557	.3601
5.00	1.00		-1.8406	-.6705
	2.00		-.7664	.3495
	3.00		-.5850	.4985
	4.00		-.3601	.7557

Table 11- One-way for re-purchase intentions

RE-PURCH INTENTIONS	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Max
					Lower Bound	Upper Bound		
1.00	51	2.9935	.88566	.12402	2.7444	3.2426	1.00	5.00
2.00	64	2.3385	.95118	.11890	2.1009	2.5761	1.00	4.00
3.00	75	2.1156	.92755	.10710	1.9021	2.3290	1.00	4.67
4.00	64	2.1302	.90388	.11298	1.9044	2.3560	1.00	4.33
5.00	41	2.3089	.80757	.12612	2.0540	2.5638	1.00	4.00
Total	295	2.3458	.95091	.05536	2.2368	2.4547	1.00	5.00

Table 12- Tukey HSD for re-purchase intentions

(I) Apology (J) Apology		Mean Difference (I-J)	Std. Error	Sig
Tukey HSD 1.00	2.00	.65492	.16984	.001
	3.00	.87791*	.16423	.000
	4.00	.86326*	.16984	.000
	5.00	.68452*	.18980	.003

2.00	1.00	-.65492*	.16984	.001
	3.00	.22299	.15398	.597
	4.00	.20833	.15996	.690
	5.00	.02960	.18101	1.000
3.00	1.00	-.87791*	.16423	.000
	2.00	-.22299	.15398	.597
	4.00	-.01465	.15398	1.000
	5.00	-.19339	.17575	.806
4.00	1.00	-.86326*	.16984	.000
	2.00	-.20833	.15996	.690
	3.00	.01465	.15398	1.000
	5.00	1.17873	.18101	.861
5.00	1.00	-.68452*	.18980	.003
	2.00	-.02960	.18101	1.000
	3.00	.19339	.17575	.806
	4.00	.17873	.18101	.861

Table 13- Multiple comparisons for re-purchase intentions

		95%Confidence Interval	
Dependent Variable (I) COND (J) COND		Lower Bound	Upper Bound
REPURCH 1.00	2.00	.1887	1.1211
	3.00	.4271	1.3287
	4.00	.3970	1.3295
	5.00	.1635	1.2055
2.00	1.00	-1.1211	-.1887
	3.00	-1.1997	.6457
	4.00	-.2308	.6474
	5.00	-.4673	.5265
3.00	1.00	-1.3287	-.4271
	2.00	-.6457	.1997
	4.00	-.4373	.4080
	5.00	-.6758	.2890
4.00	1.00	-1.3295	-.3970
	2.00	-.6474	.2309
	3.00	-.4080	.4733
	5.00	-.6756	.3181
5.00	1.00	-1.2055	-.1635
	2.00	-.5265	.4673

3.00	-.2890	.6758
4.00	-.3181	.6756

BIOGRAPHICAL SKETCH

Claudia L. Ramos was born in Monclova, Coahuila, Mexico, in 1985. She earned her Bachelor of Arts degree from Instituto de Arte y Diseno in 2010. She graduated Summa Cum Laude. She majored in Graphic Design and Psychology. In the year of 2014 she earned the degree of Masters of Arts with a concentration in Communication Studies from The University of Texas – Pan American.

During the past two summers, Claudia participated as a volunteer for different non-profit organizations such as ZAO Ministries, Palm Valley Animal Center and Austin Pets Alive.

While pursuing her Masters degree, she worked as an advertising and marketing intern at McAllen Valley Roofing Company. Claudia is currently interning at New Voice Mobile as a Graphic Designer and Marketing Assistant in McAllen, Texas. Claudia's permanent address is Colonia Jardines de La Salle, Rio Grijalva 1009, Monclova, Coahuila, Mexico, c.p. 25720.