

# **Who is to blame? The Attribution of Negative Touchpoints and its Impact on Overall Customer Satisfaction**

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## **Abstract:**

Nowadays, with the growing level of competition among service providers and the increased ease with which experiences can be shared, the level of customer satisfaction is of crucial importance for service providers. Although much is known about disconfirmation of expectations and its influence on consumers' level of (dis)satisfaction, little is known about what factors determine the way consumers attribute a negative touchpoint within a journey and how this attribution may impact word of mouth, switching or repurchasing behavior. This research attempts to identify how a negative touchpoint in different parts of a service journey influence the way customers interpret this experience and how they further translate it into actions. Findings show the differential effect of the order of the events on customer satisfaction: overall satisfaction depends on the recency of the event in the experience; however, the attribution depends on the primacy of the event in the experience.

*Keywords: customer journey, customer satisfaction, attribution*

## **1. Introduction of Paper**

Nowadays with growing number of competition among service providers on one hand, and the increased ease of exchanging word of mouth communication (WOM) among consumers, satisfaction of consumers is of crucial importance not just for the success of companies, but often for their survival on markets. Customer satisfaction is a key aspect of relationship marketing and is crucial for brand equity (Fornell, Morgeson, and Hult, 2016). Consumers may often face situations when service does not match either their own previous experience with the service provider or their initial expectations formed independently on own experience. Emotions experienced in such situations will influence the overall satisfaction or dissatisfaction (Maute, and Dubé, 1999) and will determine the likelihood of consumers to complain, extent to which consumers will switch or repurchase and the extent of word of mouth (WOM) communication (Zeelenberg, and Pieters, 1999).

Even though customers may experience the same episode of service failure their actual interpretation of this episode and therefore the sequential reactions may be very different. Several factors may drive these reactions. Traditionally research focused on how initial expectations as well as the magnitude of the difference between initial and actual expectations can influence (dis)satisfaction (e.g., expectation disconfirmation model). We suggest that

even more than the amount of (dis)satisfaction companies should be more concerned with how consumers interpret and attribute the reasons for underlying service failures (e.g., Folkers, 1984) and perceived stability of this failure (Folkers, Koletsky, and Graham, 1987). In particular, previous studies suggest that when customers attribute the reason of failure as “internal” in control of the company, they will typically experience anger, likely to switch or boycott and even punish the company (e.g., via negative WOM). And this does not happen when consumers attribute the failure as “accidental” or due to “external” reasons beyond company’s control (Tsirol, Mittal, and Ross, 2004). For example, if customers attribute failure as caused by external (vs. internal) reasons or just as “accidental” (vs. result of controlled actions) their dissatisfaction may be still very strong, however this may not effect brand image, loyalty and trust and will prevent customers from negative WOM or even may increase their sympathy with the company (e.g., what happened with increased sympathy of customers toward Malaysian Airline after two tragic events beyond the company control). Although possible outcome of such interpretations are clear, the understanding of what can influence this interpretation and in which situations customers will be more likely to interpret their experience in either way is still scarce. Lemon and Verhoef (2016) have also called for research on attribution within the customer journey.

In addition to their actual experience during service journey, interpretation of customers may depend of their initial expectations prior to their own experience. Brand image and social influence are among the strongest sources of these expectations. Brand image is developed over time through advertising campaigns and is authenticated through the consumers' direct experience. Social influence is conveyed by recommendations from others and their experiences. Both may raise customers’ expectations very high, however they do it in distinct way. Brand image focuses on the company itself and coveys the promise of the company about the delivered quality, whereas social influence avoids such promise and shifts the focus on experience of other people (which may or may not be relevant for a specific customer). This difference in this focus may influence how consumers will later interpret service failure shall it occur. The study aims to contribute to the service marketing literature by examining differential effect of primacy and recency of service failure on brand image. The study also aims to contribute to the social psychological literature by studding different effect of attribution on behavioral outcomes.

## **2. Theoretical background**

### *2.1 (Dis)satisfaction as the determinant of customers’ actions*

Several outcomes possible as the result of customer dissatisfaction: switching, complaining, and WOM communication and inertia (e.g., Oliver, 1997; Zeithaml *et al.*, 1996).

Switching refers to the termination of a relationship with the service provider. This termination may either be followed by initiating a relationship with another service provider, by performing the service yourself, or refraining from the service altogether. Ample research has shown that dissatisfied consumers are more likely to switch than satisfied customers (e.g., Loveman, 1998; Rust, and Sahorik, 1993).

Complaining occurs when customers communicate their discontent explicitly to the firm or to a third party, such as a consumer union or a government body. Singh (1988) and Maute and Forrester (1993), amongst others, found that dissatisfaction leads customers to complain.

WOM communication covers all communications of customers with the members of their social and professional network (Anderson, 1998).

### *2.2 The effect of experience order in service journey*

**Primacy and recency of service failure.** Satisfaction formation involves a dynamic phenomenon (Bolton, 1998; Bolton, and Lemon, 1999), especially satisfaction with extended service encounters. According to this dynamic perspective, service satisfaction formation depends not just on the interactions but also when those interactions take place (Parasuraman

*et al.*, 1994). The time and the order of this encounter may influence overall (dis)satisfaction as well as the interpretation of this failure. Primacy and recency literature provides an insightful theoretical background, with a basis in the social psychological memory phenomenon. A primacy effect occurs when a person best remembers the initial information that he or she receives, and it has a greater impact on attitude formation. A recency effect instead indicates that the final information is most salient in memory and exerts the greater influence (Brunel, and Nelson, 2003).

**Attribution.** Attributions are what people perceive to be the cause behind their own behavior, behavior of others or events they observe. Such attribution comes as a tendency to think about the cause, especially in case of unexpected and negative events (Weiner, 1985). This is especially relevant in situations of service failure. Recent literature suggests that attribution about responsibility of the service failure is one of the most important explanations of post consumption satisfaction and customers' reactions (Weiner, 2000). If customers infer that the company is responsible for the negative outcome, they will experience anger and are likely to boycott the company and have a desire to punish the company (Bitner, 1990). This is not the case, when customers infer that the failure was due to "external" reason outside control of the company, and in some situations (e.g., crisis) this may even stimulate sympathy towards the company and tighten the bonds with it.

**Halo and Blocking effects.** Studies suggest that people's evaluations of products and services tend to be influenced by ratings of related others or previous experiences (Beckwith et al., 1978). People are often reluctant to change attitudes they have formed on the basis of initial information already received (Haugtvedt, and Wegener, 1994). Halo effects have been found to appear in service relationships, because past evaluations influence evaluations of current service encounters (Crosby, and Stephens, 1987; van Doorn, 2008). Furthermore, if customers initially are exposed with brand information, and their initial experience goes in line with this information they may later block any knowledge about service attributes which does not go in line with the primary knowledge. This is due to so called Blocking effect (van Osselaer, and Alba, 2000). This effect makes the order of the touching points especially important. In particular, when customers have initial positive expectations about the service provider and confirm this brand knowledge with their first positive experience, later they may "block" relation of possible service failure directly to the brand. This makes customers more likely to attribute potential service failure to external reasons.

**Mood.** Several studies demonstrate so called mood congruency effect, which is the tendency of people in good (vs. bad) mood to evaluate their experiences, brands and products more favorably. Even a small positive initial experience, such as gift wrapping, can enhance the evaluation of the gift by elevating the recipient's mood (Howard, 1992). This effect, in particular, has been observed for judgments of life satisfaction (e.g., Schwarz, and Clore, 1983), evaluations of brand extensions (Barone, 2005; Barone, Miniar, and Romeo, 2000; Yeung, and Wyer, 2004), and decisions about future consumption episodes (e.g., Gilbert, Gill, and Wilson, 2002; Pham, 1998). Furthermore, research shows so called selective attention bias, which means that people in negative mood focus more on negative (vs. positive) information and notice it easier (Carver, 2001) whereas in positive mood saliency of positive information increases (Cunningham, 1988). These findings suggest that if the first touching point of customers is positive this may increase their mood and lead to positive bias, which means that customers will focus on any positive experience and perceived positive information more salient.

We argue that primacy of the service failure is crucial for attribution and therefore for evaluation of the service provider. Whereas recency of the experience is more important for overall (dis)satisfaction.

**H1.** Overall customer satisfaction is more influenced by recency (vs. primacy) of the experience.

**H2.** Service attribution is influenced by primacy (vs. recency) of the experience.

### 2.3 The effect of prior expectations on service satisfaction

**Social Influence.** Social influence about service providers describe the behavior of most relevant others, thus, provide “social proof” of what is likely to be effective behavior (Cialdini et al., 1990, Prislin, and Wood, 2005) indicate the best choice and provide a behavioral standard from which consumers may not want to deviate (Schultz, Nolan, Cialdini, Goldstein,, and Griskevicius, 2007). Such messages refer to “influence to accept information obtained from another as evidence about reality” (Deutsch, and Gerard, 1955, p. 629), and motivates consumers by providing evidence about the benefits that following others are most likely to bring (Cialdini, 2006). Observing others’ behavior informs consumers of which action would lead to benefits and does it with less costs than self-learning (Bandura, 1977). Messages based on social influence (e.g., “Most people chose”), therefore, are perceived as a way to obtain benefits and accomplish desired ideals, even when such perception is non-conscious (Cialdini, 2004; Cavalli-Sforza, and Feldman, 1981). Furthermore, messages about majority of behavior are likely to stimulate consumers to think favorably about the suggested behavior, because consumers actively construct thoughts about the social proof provided by the behavior of others and consider the benefits that this behavior entails.

**H3.** Primacy effect is influenced not only by own experience, but also by WOM, which can create a halo on service attributes.

### 3. Study 1

The aim of this study is to understand how the order of the service failure can influence the following three outcomes: (a) overall satisfaction with the service; (b) attitude towards the service provider and (c) the way customers attribute their experience (positive or negative), in particular, whether they attribute this experience to the company or to circumstances. Two hundred and seven participants took part in the experiment, which had eight levels scenario based conditions.

**Valence of the experience.** To manipulate the service experience we used eight different scenarios<sup>1</sup> depending on whether their experience was negative, average or positive. Table 1 shows the setting for the scenarios as well as the predictions.

**Measures.** Overall experience satisfaction was measured with 3 items scale, which was adopted from Matilla (2003) and measured on 9-points scales (e.g. “Overall, how satisfied or dissatisfied did this travel experience?” 1=not at all, 9=very much so).

Service failure attribution was measured with 12 items scale, which were adapted from McAuley, Duncan, and Russell (1991) and measured on 9-point scale. For example, “The service failure with Omega Air is something... That 1=reflects an aspect of Omega Air,

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1 Imagine you are going on one-week vacation trip, and are flying with Omega Air. As it is the first time that you are flying with this company, you don’t really know what to expect. At the airport you approach the check-in desk of Omega Air and meet a representative of the company. [Everything goes very quickly and smoothly. You quickly drop off your luggage and receive your boarding pass with the desired seat. You also realize that the airline staff of Omega Air is very attentive, pleasant and willing to assist you] (- for positive vs. “Everything goes very slowly. Due to an error in the system you cannot drop off your luggage and cannot receive your boarding pass. After waiting for some time you can finally drop off your luggage, but you receive a boarding pass with a seat you did not want. You also realize that the airline staff of Omega Air is not very attentive or pleasant and not willing to assist you” for service failure).

One week later you return again with the same Omega Air. At the airport you approach the check-in desk of Omega Air and meet a representative of the company. [Similar to a week ago, everything goes very quickly and smoothly. You quickly drop off your luggage and receive your boarding pass with the desired seat. You also realize that the airline staff of Omega Air is very attentive, pleasant and willing to assist you] (for positive vs. “Unlike to a week ago, everything goes very slowly. Due to a mistake found in the system you cannot drop your luggage and cannot receive your boarding pass and have to wait. After waiting for some time you can drop the luggage and receive your boarding pass with a seat you did not want. You also realize that this time the Airline staff of Omega Air are not very attentive or pleasant and not willing to assist you” for failure).

9=reflects as aspect of the situation. 1=Manageable by Omega Air, 9=Not manageable by Omega Air, 1=Permanent, 9=temporary”.

Scenario	1 <sup>st</sup> experience	2 <sup>nd</sup> experience	Brand	Satisfaction
1. One positive	+		+	+
2. One failure	-		-	-
3. Positive & Positive	+	+	++	++
4. Failure & Failure	-	-	--	--
5. Positive & Failure	+	-	+	-
6. Failure & Positive	-	+	-	+
7. Average & Positive	<b>0</b>	+	<b>0+</b>	+
8. Average & Failure	<b>0</b>	-	<b>0-</b>	+

Table 1. Scenarios and prediction means

**Results.** *Overall experience satisfaction.* Results showed a significant main effect of the valence experience,  $F(7,199)=70.1, p<0.01$ . In hypothesis 1 we predicted that the overall customer satisfaction will be affected by the recency (vs. primacy) of service experience and will go in line with the most recent experience, which customers faced. Consistent with our expectations, participants who had “failure-positive” order of the experience had higher ( $M=5.1, p<0.01$ ) overall satisfaction, compared to participants in “positive-failure” condition ( $M=4.3$ ). This shows that the overall satisfaction of customers is more dependent on the most recent event customer journey step they had.

*Service failure attribution.* Results showed a significant main effect of the valence experience,  $F(7,199)=7.7, p<0.01$ . In hypothesis 2 we predicted that the attribution of the service is more dependent on primacy (vs. recency) of service experience. Consistent with our expectations, participants in “Positive-Failure” condition ( $M=5.4$ ) blamed the service provider less ( $p<0.04$ ) than in “Failure-Positive” ( $M=6.4$ ) condition.

**Conclusions.** Consistent with our predictions, Study 1 showed the differential effect of the order of the events on (1) overall experience satisfaction and (2) satisfaction with the service provider. In particular, the overall experience satisfaction depends on the recency of the event in the experience: greater for Failure-Positive than for Positive-Failure. However, the attribution depends on the primacy of the event in the experience. In particular, with Failure-Positive experience people were likely to blame the company more than in Positive-Failure.

#### 4. Study 2

The aim of Study 2 was two folded. First, it aimed to test whether the effect of primacy may be conveyed not only by own experience, but apriority expectations of customers, built by WOM. Second, to test whether the influence of primacy on the brand satisfaction is due to halo effect. One hundred and eighty eight students of Carlos III University took part in this study, which had 2 (*Order of the experience*: positive vs. failure) x 2 (*Type of initial experience*: own vs. WOM) between subject design.

**Valence and type of the experience.** Similarly to Study 1 we used scenario based approach to manipulate the valence and the type of initial experience. For own experience the same text was used as in Study 1, but we added a different text for WOM initial experience<sup>2</sup>.

**Halo effect.** To measure halo effect we asked participants to indicate their expectations about ten different aspects of the company. Four of these aspects (check in service quality,

2 Imagine you have heard many very positive [vs. “many very negative” - for failure] things about an airline, Omega Air, from a close friends who flew with this airline before. He/she strongly recommended you to take [vs. “to avoid” – for failure] this airline whenever you have the chance. In particular, your friend told you that with Omega Air everything goes very quickly [slowly] and smoothly. He/she could [could not] quickly drop off his/her luggage and [could not] receive his/her boarding pass with the desired seat. He/she also told you that the airline staff of Omega Air is [not] very attentive, pleasant and willing to assist you.

friendliness of staff, efficiency, luggage management) were related to the description of the scenario; and six ones (punctuality, safety, legroom space, service quality on board, food quality, in-flight entertainment quality) had nothing to do with the description of the scenario.

**Results.** *Overall experience satisfaction.* Results showed a significant main effect of the condition,  $F(3, 184)=54.0, p<.01$ . In hypothesis 3 we predicted that the effect of WOM in initial experience will be similar for the one of own experience. In line with our expectations, the results showed that when participants were told positive (WOM) things about the company and then experienced failure, their overall satisfaction with the trip was lower ( $M=3.3, p<.001$ ) compared to when they heard about Failure (WOM) things first and they had positive experience ( $M=6.8$ ).

*Service failure attribution.* Results showed a significant main effect of the valence experience,  $F(3, 184)=3.5, p<.01$ . In line with our predictions, the results showed that when participants were told positive (WOM) things about the company and then had negative experience they are less likely ( $p=.005$ ) to blame the company ( $M=5.7$ ) compared to when they heard negative (WOM) things and they had positive experience ( $M=6.5$ ).

*Halo effect.* We expected that the effect of primacy may be driven by the halo effect. Consistent with our expectations, the results indeed showed that participants were likely to build their expectations about the service provider performance in line with the initial information received about this provider, even when this information was irrelevant to the aspect of the provider. This is the case, in particular, for punctuality ( $F=89.7; p<.001$ ), safety ( $F=19.3; p<.001$ ), legroom space ( $F=23.7; p<.001$ ), service quality on board ( $F=87.1, p<.001$ ), food quality ( $F=24.7; p<.001$ ), in-flight entertainment quality ( $F=25.7; p<.001$ ).

**Conclusion.** Consistent with our predictions, Study 2 showed that the effect of primacy may be conveyed by not only own experience, but also by WOM. Consumers indeed tend to halo the information they received on other domains of company performance.

## 5. General Conclusion

Based on our findings, for improving overall satisfaction of customers, managers should be careful with the last touchpoints of the customer journey. If something goes wrong, it should not be the initial touchpoint since this one influences attribution towards the service provider. This is a work-in-progress, and we will continue with new experiments in order to evaluate whether these effects hold when taking into account longer consecution of touchpoints.

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