

November 2012

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Recommended Citation

Raajpoot, Nusser; Sharma, Arun; and Lefebvre, Jean (2012) "Use of Counterfactual Thinking for Understanding the Impact of Personal Value Orientation on Blame Assignment and Customer Complaint Behavior," *Atlantic Marketing Journal*: Vol. 1 : No. 2 , Article 1.

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Use of Counterfactual Thinking for Understanding the Impact of Personal Value Orientation on Blame Assignment and Customer Complaint Behavior

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Abstract - Counterfactual thought processes are being increasingly studied in the context of consumer experiences. For example, recent research demonstrated that have used counterfactual thought process to understand the composition of comparison standards and related feature mutability to identify the factors thought to be responsible for negative experiences (McGill 2000). We extend this of research by examining the impact of personal value system on blame assignment, and subsequent post-experience consumer behavior. Our study in the context of a service experience demonstrates that personal values affect counterfactual thinking. Specific marketing implications are discussed.

Key Words - Counterfactual thinking; service recovery; complaint; personal values

Relevance to Marketing Educators/ Researchers, and/or Practitioners - Results may be of interest to marketers trying to deepen their understanding of how consumers reacts to extreme service experiences and how these reactions are moderated / mediated by consumers' personal value system.

Introduction

Extreme service experiences generally lead to consumers identifying possible explanations and imagining ways in which a different outcome could have been achieved (Mandel 2003). Imagining alternative outcomes after the experience has been labelled *counterfactual thinking* and tends to be more prevalent after negative rather than positive experiences (Gavanski, Wells 1989; Gilovich 1983; Gleicher et al, 1990; Kahneman, Miller 1986; Sanna, Turley 1996).

In finding possible explanations for negative outcomes, customers are known to compare the failed service experience with positive experiences that may be real or imaginary. Factors that are distinctive between comparative situations are assigned a causal role. In general, extreme events evoke larger number of alternative causal scenarios than normal event (Kahneman and Miller 1986). Which one of these alternatives scenarios will be used as comparative standard is a question of great importance as adoption of different comparison standards has been shown to result in different explanations for the negative experience (McGill 1990a, 1991).

Identification of comparison standard alone does not necessarily identify causal factors. Kahneman and Miller (1986) suggest that when people are looking for a causal explanation they do not use the full set of attributes belonging to the comparison standard. They, instead, use a subset of attributes that are most likely to provide an explanation. Attribute(s) falling in this subset are termed as mutable while those outside it are termed as immutable. Attributes within a mutable set are then matched against the comparison standard. Attributes that are missing in this comparison are most likely to provide an explanation for the negative event. Identification of mutable attributes are a necessarily condition for consumers developing a causal explanation.

Use of post-experience comparison standard is an interesting feature in the construction of causal explanation based on counterfactual thought process. This is in contrast to the use of pre-experience comparison standard when evaluating a normal experience (which does not require a causal explanation). The use of pre-experience standard assumes the existence of a stable set of expectations before the actual experience that is based on previous consumption experience(s) and communication such as advertising and word of mouth. In case of unfamiliar or new services, the assumption of stable expectations may not hold (McGill and Iacobucci 1992). In such cases consumers evaluate services based on a comparison standard that is formed after the service has been consumed.

In predicting probable causal explanation of negative service experience, identification of (im)mutable set of service features is necessary. From a marketing management standpoint, it is important to understand how different personal and contextual variables may affect the mutability of service features.

This identification, will allow managers to focus on mutable factors and to ignore or reduce the attention on factors that do not help in complaint management and service recovery.

Literature in psychology has identified several factors such as prior experience (Einhorn and Hogarth 1986), perspective (Einhorn and Hogarth 1986; McGill 1989, 1995), culture (McGill 1995), perceived norms (Grier and McGill 2000), and roles (McGill 1989) that influence the adoption of different comparison standards and subsequent mutability of comparison features. Although research has focused on the use of counterfactual causal assignment in product marketing (cf. McGill 1990b; Simonson 1992; Landman and Ross 2000), the causal explanation of negative service experiences has been relatively unexplored. Although some suggestions have been made (McGill 2000; McGill and Iacobucci 1992; Cote, Foxman and Cutlrer 1989), literature in service marketing has to a large extent ignored the strategy of using post experience comparison standards involving counterfactual though process.

Extremely negative service experience needs to be managed not only to reduce switching but also to reduce negative word of mouth propagation. Understanding the negative experiences in terms of causal assignment is extremely important to reduce their occurrence and development of effective recovery strategies. We suggest that understanding feature mutability is the first step towards better management of negative service experiences. Once a service provider understands the set of features that are most probable candidates of causal assignment, they should be able to develop strategies and dedicate resources to manage the most vulnerable aspects of service management.

In searching for the factors that influence the selection of causal standard we find personal value system very useful. Since personal values have been shown to guide human expectations and evaluations (Rokeach 1973), they provide a strong theoretical basis for understanding the feature (im)mutability during the formation of post-experience comparison standard. In this research, we propose to study the impact of personal values on relative im(mutability) of service features. We will propose and test specific hypothesis about the relationship between personal value orientations and probability of a service feature being treated as mutable. Next, we outline our rationale for studying these factors and develop hypotheses.

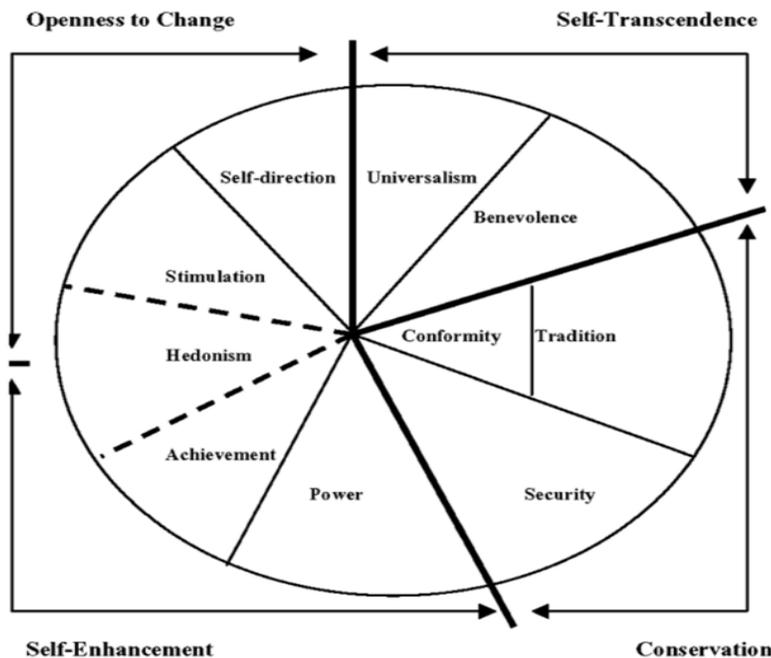
Personal Value System

Personal values can be considered as abstract motivations that guide attitude and behavior (Rokeach 1973; Schwartz 1992) and have been used to understand human beliefs, actions and attitudes. “Values guide the selection or evaluation of actions, policies, people, and events. People decide whether actions, policies, people or events are good or bad, justified or illegitimate, worth approaching or avoiding,

by considering whether they facilitate or undermine the attainment of cherished values”, (Schwartz 1992 p.262). If personal values guide evaluation processes (Rokeach 1973) they should also guide the feature (im)mutability process during the formation of comparison standard. It may help in the understanding how customers assign blame among various service attributes.

Various personal value systems have been proposed in literature. We discuss three of them (Hofstede 1980; Rokeach 1973; Schwartz 1992). Using employee data from IBM, Hofstede (1980), proposed four value dimensions for comparing national cultures. This value scheme is not very relevant for our research for two reasons. First, the values pertain to work values and therefore have limited generalizability to consumer decision-making. Second, the value system discriminates among national cultures and not among individuals. It, therefore, may not be suitable for use in linking individuals’ value orientations to their evaluative behavior.

The Rokeach (1973) proposes the association between fundamental human values and beliefs and attitudes and goes on arrange these from the most to the least important. He divides value system into instrumental and terminal values. While terminal values are the end-state we hope to achieve in life, instrumental values are means of achieving these terminal values. Self-respect, happiness, equality, freedom, and social recognition would be some examples of terminal values while cheerfulness, cleanliness, self-control, and politeness would be some example of instrumental values. These values vary among different groups of people in different cultures. This value system has successfully been used to link personal values to a variety of demographic variables, opinions, attitudes, and behavior. This scale however leaves out values such as power and tradition and is not suitable for our study.



Source: Adopted from Schwartz (1992); modified by Sousa and Bradley (2002)

Figure 1

Schwartz' Typology of Personal Values

Schwartz (1992) value typology consists of 10 different value types that show simultaneous similarities and dissimilarities among them. As shown in figure 1, this structure of conflicts and congruities can best be summarized along two bipolar orthogonal dimensions of self-enhancement versus self-transcendence and openness to change versus conservatism. Power and achievement values share common goals of self enhancement and oppose universalism and benevolence values which share common goals of self-transcendence. The other bipolar dimension consists of openness to change versus conservatism. On this dimension, self-direction and stimulation values oppose security, conformity and tradition values. The former emphasize independent action, thought and feeling and readiness for new experience, whereas the latter emphasize self-restriction, order and resistance to change. Hedonism shares elements of both openness and self-enhancement.

Achieving prestige, higher social status and control over others are three principal motivations underlying the basic value of power. Motivation to have power is highly congruent with motivation for achievement which in turn refers to personal success through demonstration of competence according to social standards. This will affect the valuation of service experiences. A powerful service recipient is likely to perceive service delivery personnel as less powerful and therefore less competent. Service jobs such as restaurant waiters and cab drivers require minimum competency and training. People performing these jobs

have low income levels. Tipping in both professions indicate customers desire complement income of these service providers. Consumers with high power orientation will typically classify service providers as belonging to a group of low achievers. Low achievement and power assume low levels of competency. It may therefore be tempting for consumers to blame the service provider (e.g., waiter) for service rather than the company or service processes.

Desire to display competence and control over people is linked positively with performance of both service personnel and outcome. Lower tolerance against possible mistakes can be understood as an expression of personal competence. Similarly, the desire to control others in the environment will set high standards for employee performance. Hence, we hypothesize:

H₁₋₁ Self-enhancing individuals are more likely to blame service employees rather than themselves.

On the other hand, benevolence and universalism are two value types that represent self-transcendence. Benevolence requires people to forgive and forget the mistakes made by others. It means greater tolerance for mistakes, especially those made by other human beings. Benevolent customers are more likely to preserve and enhance the welfare of people they come in contact in daily business including service employees. They are least likely to take any action that would create negative perception about performance resulting in negative impact on the service provider's careers. Generosity, an important contributor to being benevolent requires people to display regard for the needs or feelings of others.

Universalism that compliments benevolence has its underpinning in tolerance and social justice. Tolerances requires one to respect the opinions and practices of the others including service providers. Any service failure would have explanations offered by those delivering them. Respecting their point of view is important to benevolent customers. In trying to find a causal explanation for a negative experience, self-transcending individuals are less likely to blame employees and blame it on some factors related to process or uncontrollable. These observations lead to the following hypotheses:

H₁₋₂: Self-transcending individuals are more likely to blame themselves rather than service employees.

The other bipolar dimension contrasts conservatism with openness to change. Security, tradition, and conformity are three values driving conservatism. These values seem to have overlapping objectives. For example the pursuit of tradition is congruent with the pursuit of conformity in that both motivate actions of submission to external expectations. In a way conservatism stresses the maintenance and preservation of social order, restraint of actions likely to upset or harm others, and stability of relationships. For conservative customers, maintaining relationship is more important than challenging service performer

to do better. In constructing explanation for service failure, conservative customers are less likely to blame service personnel. Therefore:

H₂₋₁: Conservative individuals are more likely to blame themselves rather than service employees.

According to Schwartz value system, individuals driven by stimulation, self-direction and hedonic pleasure are classified as being open to change. These individuals are explicitly looking for emotionally satisfying experiences. They value novelty, creativity and originality. These individuals are not likely to be influenced or controlled by others in matters of opinions and conduct. Service ambiance i.e. design, layout, music, color is likely to influence the hedonic experiences. Stimulation and excitement can also be delivered through an excellent core service. Self-directed individuals are likely to have high expectation of core service promise. In such situations, personnel delivery mode may be less important. These observations lead us to the following hypotheses:

H₂₋₂: Open-to-change individuals are more likely to blame service employees rather than themselves.

Customers cope with extremely dissatisfying outcomes at both cognitive and emotional levels to reduce, or tolerate the negative impact of a stressful transaction (Folkman and Lazarus 1980). Cognitive responses might include lodging formal complaint and/or switching to another service provider while negative word mouth may represent a typical emotional response. The type of post-experience response, emotional and/or cognitive, is primarily determined by the direction of blame attribution. Singh and Wilkes (1996) suggest that external locus of blame results in stronger inclination to lodge a formal complaint / switch.

The role of emotions in post experience behavior is important as the type of emotions generated after an extremely dissatisfying experience may decide the locus of blame (Mooradian and Oliver 1997). For the purposes of this paper we are particularly interested in the emotions of regret, disappointment and anger as antecedents of post experience behavior. Regret represents dislike for past personal acts and behaviors that the person later wishes that he or she had not done. A positive relation is expected between regret/disappointment and switching. Regret is known to help customers make better decisions in future such as not choosing the service organization associated with bad experiences. Similarly, a way to deal with disappointment is to stay away from the situation (i.e. staying away from the service provider) and/or initiate a relationship with another service provider.

Anger results from appraising an event as frustrating or harmful and is closely related to negative WOM (Bougie, Pieters and Zeelenberg 2003). Angry customers feel like they would explode, think how unfair something was, and say something nasty with an objective to hurt someone (Roseman, Wiest, and Schwartz 1994). An angry customer is perhaps more dangerous than a

dissatisfied customer. A dissatisfied customer may try to find out what caused service to fail. An angry customer on the other hand has already fixed the blame and wants to get back to an organization or a person, and is, therefore, expected to actively engage in negative word of mouth.

H₃: Anger will lead to negative word of mouth generation while regret and disappointment results in switching only.

Our interest in this paper is to understand the ability of the four personal value orientations to predict post-experience behavior. We have proposed a linkage between the four orientations and locus of blame. Since locus of blame is also central in deciding post-experience behavior, we can extend this discussion to include switching and negative word of mouth generation. Since self-transcendent and conservative individuals tend to blame themselves rather than service employees and therefore experience regret; we expect such individuals to switch service without indulging in negative word of mouth activity. On the other hand self-enhancing and open-to-change individuals, who show a tendency to have external locus of blame, are likely to simultaneously switch and create negative word of mouth. We, therefore, propose that:

H_{4.1}: Self-enhancing individuals are more likely to switch with negative word of mouth.

H_{4.2}: Self-transcending individuals are more likely to switch without generating negative word of mouth.

H_{4.3}: Conservative individuals are more likely to switch with negative word of mouth.

H_{4.4}: Open-to-change individuals are more likely to switch without generating negative word of mouth.

Data Collection

Eighty-nine undergraduate students enrolled in the introductory and elective marketing classes at mid-size North Eastern University participated in a self-administered online survey. Respondents first completed 22 item portrait values questionnaire (Schwartz 2003) which consisted of short verbal portraits of different people that describe their goals, aspirations or wishes. For each portrait the students responded to the question “How much like you is this person” on a seven point Likert scale ranging from ‘very much like me’ to ‘not like me at all’. Asking respondents to compare a portrait to them was expected to keep them more focused than asking them to compare their self with others (Kahneman, Tversky 1973).

Individual scores for ten value types (power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, conformity, security, and tradition) were used to calculate the cumulative scores for four dimensions of self-transcendence, self-enhancement, open-to-change, and conservatism. Further, scores for resultant self-transcendence (self-transcendence minus self-enhancement) and resultant conservatism (conservatism minus open-to-change orientation) were calculated. A positive resultant self-transcendence score meant

the absence of self-enhancement while a positive conservatism score meant the absence of open-to-change orientation.

After completing the questionnaire, students then read a scenario describing an extremely unpleasant dining service experience (see appendix). It contained references to potential mutable features that related to self and others i.e. service personnel. For example, the following section alluded to problems caused by Jim (the focal character) and manager's attitude.

Also, there was a meal on the bill that no one had ordered or eaten. The manager made a large scene of standing in the dining room and yelling to the servers to see if anyone had taken food away from the table....each said no. So he turned to Jim to tell him that they must have consumed it. At this point Jim became very angry and got into a heated, uncivil argument with the manager.

At the end of this scenario, respondents read the following statement.

When people experience negative events, they sometimes think about how the event might not have happened if only something had been different. Place yourself in Jim's position and list things (events, procedures, behavior, environments) that, had they been different or absent, could have changed the outcome of this experience i.e., Jim's group could have had a wonderful going away party (Option of choosing another restaurant is not available to you).

Students were asked to record their immediate feeling of emotions after reading the scenario. They could choose between disappointment, regret and anger. They then were given the option to write up to six counterfactual thoughts in any format i.e., substitutive or additive. Students were also asked to indicate their probable post-experience reaction among complaining, switching, and switching with negative word of mouth. Students provided multiple counterfactual explanations, on average four responses were listed. Counterfactual responses were coded for two categories. First category consisted of counterfactuals that blamed restaurant personnel for bad experience while the second category consisted of responses that blamed their own (Jim's) actions.

Results

Our hypotheses related to the impact of personal value orientation on two different dependent variables i.e. blame assignment and complaint behavior. We used a stepwise procedure to test these hypotheses. At first step, we ran cross tabulation procedure to confirm associations between value orientations, blame assignment and complaint behavior. At step 2, when significant association was confirmed we ran two-group discriminant analyses with personal value orientations as independent variables and with blame assignment and complaint behavior as dependent variables. At the third level when personal value orientations turned out to be significant predictors of dependent variables we ran further discriminant analysis to find out which of the 10 original values were best predictors of blame assignment and complaint behavior.

An initial 2 X 2 cross tabulation test of association was conducted between nominal variables of personal values (2 categories of self-transcendence and self-

enhancement) and blame assignment (2 categories of blaming self and others) supported hypotheses H1-1 and H1-2. A Pearson χ^2 value of 28.15 was found significant ($p < .001$). Eighty four percent of self-enhancing respondents blamed others for negative outcome while 91.7% of self-transcending individuals blamed themselves. Association between two variables was strong and significant (Phi (ϕ) = 0.758, $p < .001$).

Next we repeated the same test for association between blame assignment and personal values of openness to change and conservatism. Results supported hypotheses H2-1 and H2-2. A Pearson χ^2 value of 7.351 was found significant ($p < .007$). Seventy two percent conservative respondents blamed themselves while 66.7% open to change respondents blamed others. A Phi (ϕ) value of 0.387 and accompanying $p < .007$ shows that the strength of association between blame and conservatism, although significant, was lower than that between blame and self-transcendence (ϕ value of 0.758 versus 0.387).

Similarly a 2 X 2 cross tabulation test of association was also conducted between nominal variables of personal values (2 categories) and complaint behavior (2 categories). A Pearson χ^2 value of 19.61 was found significant ($p < .001$). Seventy nine percent of self-enhancing respondents indulged in negative word of mouth when switching, while 84.0% of self-transcending individuals switched without generating negative word of mouth. Strength of association between two variables was also significant (Phi (ϕ) = 0.633, $p < .001$). These results support hypotheses H4-1 and H4-2.

Next we repeated the same test for association between complaint behavior and personal values of openness to change and conservatism. A Pearson χ^2 value of 7.505 was found significant ($p < .006$). Although 92% conservative respondent switched without negative word of mouth only 42% open to change respondents switched with negative word of mouth. Strength of association between two variables was also significant (Phi (ϕ) = 0.391, $p < .006$) but lower than the strength of association between complaint behavior and personal values of self-transcendence and self enhancement i.e. ϕ value of 0.633 versus 0.391. These results support hypotheses H4-3 and H4-4.

We also ran a 2 X 3 crosstab between complaint behavior and (2 levels) and dominant emotion felt after the experience (3 levels). A Pearson χ^2 value of 38.26 was found significant ($p < .001$). Hundred percent respondents feeling angry indulged negative word of mouth. At the same time 13% of respondent feeling disappointment also indulged in negative word of mouth. Eighty seven percent of customers feeling disappointed and 92% feeling regret switched without indulging in negative word of mouth. Strength of association between two variables was very strong and significant (Phi (ϕ) = 0.884, $p < .001$). These results support hypothesis H3.

Although cross tabulation results confirmed some level of association between personal values and behavioral variables of blame assignment and

complaint pattern it didn't provide any clues about the relative contribution of each of the four personal values dimensions in predicting dependent behaviors of blame and complaint. Since we had categorical dependent variables i.e. blame assignment with two categories and complaint behavior with two categories; discriminant analysis seemed the most appropriate analytical technique for understanding the relative contribution of independent variables. Two separate two-group discriminant analyses were performed to determine whether four dimensions of personal value orientation --- self-transcendence, self-enhancement, open-to-change, and conservatism --- are good predictors the dependent variables of blame assignment and complaint behavior.

The first of these analyses consisted of the four value orientations as independent variables with blame assignment (blaming self or others) as dependent variable. Results are provided in tables 1(a), 1(b) and 1(c). Box's M test was used to verify the assumption of equal covariance. A p-value of .208 confirmed that covariances were equal for both groups. One significant discriminant function was generated (Wilks' $\lambda = .313$, $\chi^2(4, N=89) = 52.31$, $p < .000$) indicating that independent variables relating to personal value orientations significantly differentiated between blaming self or other after a negative service experience. Blame assignment was found to account for 71% (canonical correlation of 0.84) of the function variance. Standardized function coefficient and correlation coefficients revealed that self-transcendence was most associated with the function. Original classification results revealed that 91.3% of respondents who blamed themselves were correctly classified while 96.2% who blamed others were correctly classified. For overall sample 93.9% of respondents were correctly classified.

Table 1(a)

Discriminant Fit Indices

Box's M Sig.	Eigenvalue	Canonical Correlation	Wilks' Lambda	Chi-square	df	Sig.
.208	2.198	.829	.313	52.315	4	.000

Table 1(b)

Standardized Discriminant Function Coefficients

Value Orientation	Blame Self vs. others
Self-Transcendence	0.941
Self-Enhancement	-0.021
Open-to-change	0.839
Conservatism	-0.128

Table 1(c)

Classification Table

	Predicted Group Membership		Total
	Blame Self	Blame Others	
Blame Self	91.3%	8.7%	100%
Blame Others	3.8%	96.2%	100%
93.9% of original grouped cases correctly classified.			

In the second discriminant analysis complaint behavior was used as a dependent variable with same four independent variables used previously. Results are provided in tables 2(a), 2(b) and 2(c). Box's M test was used to verify the assumption of equal covariance. An insignificant p value of .173 indicated that assumption of equal variance holds. One significant function was generated (Wilks' $\lambda = .337$, $\chi^2 (4, N=89) = 43.17$, $p < .000$) indicating that the independent variables significantly differentiated between switching only and switching with negative word of mouth generation. Complaint behavior was found to account for 64% (canonical correlation of 0.80) of function variance. Standardized function coefficient and correlation coefficients (see table 1) revealed that self-transcendence was most associated with the function. Original classification results revealed that 83.8% of respondents who switched without indulging in negative word of mouth were correctly classified while 83.3% of the respondents who switched and indulged in negative word of mouth correctly classified. Overall prediction accuracy of 83.7% indicated a reasonable model fit.

Table 2(a)

Discriminant Fit Indices

Box's M Sig.	Eigenvalue	Canonical Correlation	Wilks' Lambda	Chi-square	df	Sig.
.173	2.031	.800	.337	43.159	4	.000

Table 2(b)

Standardized Discriminant Function Coefficients

Value Orientation	Switch VS. Negative Word of mouth
Self-Transcendence	0.836
Self-Enhancement	-0.312
Open-to-change	0.489
Conservatism	-0.817

Table 2(c)

Classification Table

	Predicted Group Membership		Total
	Switch	Switch & complain	
Switch	83.8%	16.2%	100%
Switch & complain	16.7%	83.3%	100%
83.7% of original grouped cases correctly classified.			

Now that we were able to predict group membership based on the two bipolar dimensions of self-transcendence-self enhancement and conservative-open to change we would like to understand which of the original ten personal values were instrumental in predicting group membership. We, therefore, replaced the four dimensions of personal values with 10 original personal values suggested by Schwartz.

In the first of two such analyses 10 of the original personal values were used as independent variables with blame assignment as dependent variable. Results are provided in tables 3(a), 3(b), 3(c) and 3(d). An initial ANOVA test revealed the out of the ten personal values only four (power, achievement, universalism and benevolence) had significant F values. One significant function was generated (Wilks' $\lambda = .254$ $\chi^2 (10, N=89) = 57.552, p < .001$) indicating that personal values significantly differentiated between blaming self or others after

a negative service experience. 10 independent variables accounted for 74.6% of variation in Discriminant function. Standardized function coefficients (see table 2) revealed that power, benevolence, achievement, and universalism were most useful in predicting blame assignment. Original classification results revealed that 91.3% of respondents who blames themselves were correctly classified while all of the respondents who blamed others correctly classified. For overall sample 95.9% of respondents were correctly classified.

Table 3(a)

ANOVA F-test		
Personal Value	F	Sig.
Power	52.428	.000
Achievement	15.234	.000
Hedonism	.005	.946
Stimulation	1.144	.290
Self-direction	.628	.432
Universalism	7.692	.008
Benevolence	9.716	.003
Conformity	.019	.891
Security	.065	.800
Religiosity	.322	.573

Table 3(b)

Discriminant Fit Indices

Box's M Sig.	Eigenvalue	Canonical Correlation	Wilks' Lambda	Chi-square	df	Sig.
.164	2.936	.864	.254	57.552	10	.000

Table 3(c)

Classification Table

	Predicted Group Membership		Total
	Blame Self	Blame Others	
Blame Self	91.3%	8.7%	100%
Blame Others	0%	100%	100%
95.9% of original grouped cases correctly classified.			

Table 3(d)

Standardized Discriminant Coefficients

Personal Values	Blame Self vs. others
Power	0.814
Achievement	0.643
Hedonism	-0.293
Stimulation	-0.511
Self-direction	0.169
Universalism	-0.641
Benevolence	-0.792
Conformity	-0.388
Security	0.604
Religiosity	0.501

Our second discriminant analysis also consisted of the same four independent variables with complaint behavior (switching with or without negative word of mouth) as dependent variable. Results are provided in tables 4(a), 4(b) and 4(c). Box's M test was used to verify the assumption of equal covariance. A p-value of .208 confirmed that covariances were equal for both groups. An initial ANOVA test revealed the out of the ten personal values only three (power, universalism and benevolence) had significant F values. One significant function was generated (Wilks' $\lambda = .507$, $\chi^2(10, N=89) = 28.55$, $p < .001$) indicating that personal values significantly differentiated between switching with or without negative word of mouth. Personal values were found to account for 50% of discriminant function. Standardized function coefficients revealed that universalism, power and benevolence were most associated with

the function. Original classification results revealed that 80.3% of respondents who switched without indulging in negative word of mouth were correctly classified while 82.13 of the respondents who switched and indulged in negative word of mouth correctly classified. For overall sample 81.62% of respondents were correctly classified.

Table 4(a)

Discriminant Fit Indices

Box's M Sig.	Eigenvalue	Canonical Correlation	Wilks' Lambda	Chi-square	df	Sig.
.208	2.936	.711	.507	28.55	10	.000

Table 4(b)

Standardized Discriminant Coefficients

Personal Values	Switch VS. Negative Word of mouth
Power	0.593
Achievement	-0.230
Hedonism	0.400
Stimulation	0.365
Self-direction	0.102
Universalism	-0.798
Benevolence	-0.508
Conformity	0.342
Security	-0.040
Religiosity	0.537

Table 4(c)

Classification Tables

	Predicted Group Membership		
	Switch	Switch & complain	Total
Switch	80.3%	19.7%	100%
Switch & complain	17.7%	82.3%	100%
81.62% of original grouped cases correctly classified.			

Discussion

The purpose of this research was to provide insight into how consumers evaluate, or interpret, an extreme negative service outcome. Interpretation of service failure and subsequent blame assignment is based by not only on what actually happened, but also by what might have happened. A complete explanation of a consumer's evaluation of a service failure requires one to also consider the effects of counterfactual processing. As we show in this paper surveys based on counterfactual thought process are an excellent way of eliciting blame assignment and intended post consumption behavior. The levels of involvement in constructing counterfactual scenarios results in responses based on true feeling about the experience.

Previous research shows that a number of situational factors such as perceived control, fairness, outcome closeness, future expectancy, self-involvement; personal factors such as self-esteem and optimism; and national cultural factors influence the blame assignment and post-service behavior within counterfactual thought process. Our results have shown that personal values also are good predictors of blame assignment and post-service complain behavior. Self-transcending and conservative individuals are more likely to blame themselves than service employees. Similarly, self-enhancing and open-to-change individuals are likely to blame service employees. Their likelihood of blaming themselves is little. Blame assignment is an important concept as it provides a basis for developing service improvement strategy with a view to minimize service failures.

The information on linkage between personal values and post-experience behavior is an important one. Ninety nine percent of respondents in our survey indicated that they don't intend to revisit the restaurant after an extremely negative experience. So, switching can be assumed to be natural outcome of extreme failures. An important question in this regard is whether customers defect with or without inflicting greater damage in form of negative word of mouth. Our results also indicate that personal value orientations can discriminate between switching only and switching with negative word of mouth

behavior. Among the four dimensions, self-transcendence (or the absence of it) is the best predictor of group membership.

Four personal value orientations predicted blame assignment (98% classification accuracy) better than complain behavior (87% prediction accuracy). In both blame assignment and complain behavior, self-transcendence showed more predictive power than self-enhancement, conservatism and openness to change. At the level of individual values, power, benevolence, achievement, and universalism were most useful in predicting blame assignment while universalism, power and benevolence were best predictors complaining behavior. A combination of 10 individual personal values predicted blame assignment (96% prediction accuracy) than complaining behavior (81.2% prediction accuracy).

What marketing implications can be derived from linkage between personal values and complaint behavior? Personal values can be expected to vary nationally and internationally. This provides us with an efficient segmentation tool beyond the traditional segmentation bases of demographics, psychographics and benefit expected. This kind of segmentation is especially useful in international marketing context. Bipolar dimensions of self-transcendence-enhancement and conservatism-openness to change discriminate well between eastern (mostly self-transcending) and western (mostly self-enhancing) societies. As we show in this paper self-transcending individuals are less likely to engage in negative word of mouth than self-enhancing individuals. These differences would lead to different complaint management strategies. For customer segment consisting of self-enhancing individuals we may need to be more transparent and open about what happened and explain what you are doing to fix problems. We may also need to be communicating about yourself more than your critics. One may also use third-party validations such as awards, recognitions, etc.

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Appendix: Counterfactual Scenario

“Recently Jim and his family had a going away party at a local restaurant. They had called in advance with a request to be seated on the patio. They also asked manager if separate checks would pose a problem. Manager assured them that tables on patio and separate checks per table would not be a problem. On their arrival, they were seated outside on the patio. Unfortunately, only 30 out of the expected 40 guests showed up.

There was only one waitress assigned to their group of tables. When questioned, manager told them that since the entire 40 people had not shown up he sent the extra staff home. This waitress also had tables inside to attend to. Service was very slow. Appetizers arrived late. The waitress then announced that dinner is ready to be served. However, before dinner could be served, the sun went down. Jim told waitress that he would like his party moved inside as the patio had no lighting arrangement. They were put on the waiting list for a table inside. It took about 45 minutes for them to be seated inside. In the meantime their food was put under warming lights.

Once seated inside, their food came out cold and overcooked as it sat under warming lights for long time. Jim complained to manager and told him that food was horrible and asked him to either replace the food or not to be charged for it. Manager did not agree and guests had to eat the cold and overcooked food.

When asked for the bill, waitress went to cashier to get separate checks. Cashier’s computer was down and he could not print individual checks and instead combined all orders into a single combined bill. This negated the agreed arrangement of separate checks. Each individual now had to look at the bill to mark the meals they had ordered. It took more than 30 minutes to figure out who is paying what. Also there was a meal on the bill that no one ate. The manager made a large scene of standing in the dining room and yelling to the servers to see if anyone had taken food away from the table....each said no. So he turned to Jim to tell him that they must have consumed it. At this point Jim became very angry and got into a heated, uncivil argument with the manager.

Manager called the police. The officer arrived while people were still paying the bill. The officer told Jim all they had to do was pay the bill and then leave. He told office that they have no problem with that

To cap off the night, a woman in Jim’s group who had ordered Scallops got sick and left to go the emergency room. It is well known that if Scallops are left out under a warming light too long they reach a temperature that can cause food borne illnesses”

When people experience negative events, they sometimes think about how the event might not have happened if only something had been different. Place yourself in Jim's position and list things (events, procedures, behavior, environments) that, had they been different or absent, could have changed the outcome of this experience i.e., Jim's group could have had a wonderful going away party. (Option of choosing another restaurant is not available to you).

