Situational influences on the evaluation of other-customer failure\textsuperscript{*}

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\textbf{A R T I C L E \ I N F O}

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\textbf{A B S T R A C T}

This article examines how customers evaluate their dissatisfaction with the service provider at times of other customer misbehavior when they are accompanied by a number of social companions with specific consumption goals in a restaurant context. The empirical data demonstrate that participants note higher levels of dissatisfaction when they are in the company of social companions than when they are alone. Moreover, the presence of strong ties would have an inhibitory effect on the expression of dissatisfaction relative to the presence of weak ties, whereas the effects of weak ties would depend on the group size and consumption goals. With hedonic consumption goals, the weak tie customer expresses higher dissatisfaction when the group size is small rather than when it is large. In contrast, with utilitarian consumption goals, the weak tie customers’ dissatisfaction is higher when the group size is larger than when it is small. Theoretical and managerial implications for these findings are also discussed.

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1. Introduction

Increasing evidence has emerged that customer-to-customer interactions can damage a customer’s consumption experience and service evaluation in the hospitality industry. Martin (1996), for example, surveyed 554 customers in restaurants and bowling alleys and found that other-customer misbehavior (e.g., drunkenness and verbal abuse) could lessen the focal customers’ satisfaction ratings. Huang (2008), in a study across 11 service contexts (e.g., restaurants, movie theaters, hotels and so on), found that other problem customers (e.g., shouting loudly) could have a detrimental effect on customers’ satisfaction with the service provider. As the negative interactions with other customers often times lead to a failure to meet customers’ expectations, Huang (2008) termed this phenomenon “other-customer failure” which refers to actions by another customer, whether intentional or unintentional, that disrupts one’s service experience.

Strictly speaking, interaction occurring between customers in a service environment can be divided into intergroup and intra-group interactions (Pearce, 2005). The former refers to interactions between unacquainted customers and the latter concerns interactions between social companions such as friends or colleagues who consume services together (Huang and Hsu, 2010). Both types of interactions can occur simultaneously. There has previous research that examines the effect of intergroup interactions and explores how negative encounters with other unacquainted customers may affect an individual’s service evaluation (Bitner et al., 1990; Grove and Fisk, 1997; Huang et al., 2010a,b; Martin and Pranter, 1989; Miao et al., 2011; Raajpoot and Sharma, 2006; Wu, 2007; Zhang et al., 2010). However, the contemporaneous effect of intragroup interactions has been largely neglected. Whether an individual’s service evaluation varies when accompanied by social companions at the time of other-customer failure needs further investigation.

In the hospitality services, the presence of social companions is an indispensable part of the consumption experience (Wei et al., 2012). Restaurants, theme parks, and movie theaters are typically experienced in social contexts along with companions. When multiple companions are involved in the service production and delivery process, they co-operate to create the service experience (He et al., 2008; Martin, 1996). Moreover, it has been found that these companions determine how customers react to a service deficiency. Wei et al. (2012), for example, demonstrated that the “co-consumption others” (e.g., friends) who are present at a service failure affect a focal customer’s complaining behavior. However, it is still unclear whether and how social companions influence an individual’s dissatisfaction with the service provider when other-customer failure occurs.

To further our understanding, companion variables such as the number of companions present and the relationship with these companions are, therefore, incorporated into the present study to account for the intragroup interaction effects in response to the misbehavior of other customers. Specifically, we address four research questions: (1) Do customers react less negatively when
companions are present than when they are alone? (2) Does group size matter? (3) What happens to a customer’s dissatisfaction evaluation if he/she is accompanied by strong tie (e.g., friends) versus weak tie (e.g., colleagues) individuals who endure the same negative incidents of other-customer failure? In addition, there are differences in customer goals when buying products or services, whether utilitarian or hedonic. In Study 2 we will further display (4) how dissatisfaction with a service firm at the time of other-customer failure may be moderated by the customer’s consumption goals. Briefly, we investigate how group size and tie strength, as well as the initial consumption goal, may influence customer A’s dissatisfaction evaluation toward a service firm after suffering from customers B’s dysfunctional behavior.

We believe our work makes a significant contribution to the literature, specifically adding to the limited knowledge that exists regarding situationally driven differences in evaluations of other-customer failure. We consider the roles of group size, tie strength, and consumption goals as situational contexts (Belk, 1975) that might be used to interpret the different dissatisfaction evaluations in response to other-customer failure. Hospitality researchers have found that consumer experience is better understood when situational influences are taken into consideration (Ryu and Han, 2011; Walls et al., 2011). In addition, our findings will help facilitate a service firm to devise meaningful programs for customer compatibility management (Martin and Pranter, 1989).

2. Conceptual background

2.1. Negative customer-to-customer interaction (NCCI) research

Negative interactions between customers in the hospitality industry are an important aspect of the service encounter (Martin, 1996). Following Fisk et al.’s (2010) and Nicholls’s (2010) categorization, extant hospitality research on negative customer-to-customer interaction (NCCI) can be grouped into six major categories (the individual study details are presented in Table 1). The first category includes the triggers and causes of NCCI (Daunt and Harris, 2012; Griffiths and Gilly, 2012; Harris and Reynolds, 2004; Reynolds and Harris, 2009). The second category is associated with the classifications of NCCI (Grove and Fisk, 1997; Wu, 2007, 2008; Zhang et al., 2010). The third category focuses on the consequence of NCCI (Bittner et al., 1990; Grove et al., 1998; Harris and Reynolds, 2003; Martin, 1996). The fourth category comprises the psychological processes underlying the relationship between NCCI and service evaluations (Huang, 2008; Huang et al., 2010a, b). The fifth category pertains to managerial guidelines that encourage firms to take specific courses of action to prevent (Martin and Pranter, 1989; Pranter and Martin, 1991) and even recover from NCCI (Huang, 2010). The sixth category of research, and indeed, the focus of the current paper, is the investigation of NCCI sensitivity (Baker and Wakefield, 2012; Hui and Bateson, 1991; Martin, 1996; Miao et al., 2011; Raajpoot and Sharma, 2006).

Sensitivity to NCCI is a matter of the exact circumstances surrounding NCCI. Under certain conditions, the NCCI is likely to be viewed more negatively (Nicholls, 2010). Nicholls (2005) referred to such circumstances as situational factors. Belk (1975) has identified five objective situational factors, including the physical surroundings (e.g., dinner at a restaurant), social surroundings (e.g., dinner with friends or colleagues), temporal perspective (e.g., time available for dinner), task definition (e.g., dinner for a special occasion) and antecedent states (dinner when tired). Based on Belk’s framework, existing NCCI studies on situational influences can be framed as physical settings (Hui and Bateson, 1991; Martin, 1996), task definition (Baker and Wakefield, 2012; Moon and Mattila, 2009), and antecedent states (Miao et al., 2011; Raajpoot and Sharma, 2006). As mentioned previously, these studies do not consider, however, what happens to an individual’s satisfaction evaluation with the service provider if accompanied by someone with specific consumption goals at the time of the NCCI (i.e., the intragroup interaction effect). Thus, using a restaurant dining environment as our context, the impact of two of Belk’s five factors, social surroundings and task definition (i.e., consumption goals), on customer dissatisfaction evaluation are investigated.

Restaurants are chosen as the target service category for several reasons. First, real-life dysfunctional customer behavior is common in this setting (see Huang, 2008, p. 527 and Zhang et al., 2010, p. 394). Second, restaurant dining is a social activity. People usually eat in the company of social companions for either utilitarian or hedonic reasons. Although some researchers have identified the patronizing of a restaurant as hedonic consumption (e.g., Wirtz and Lee, 2003), Strombeck and Wakefield (2008) claimed that the utilitarian/hedonic nature of the consumption experience is not dependent upon the service alone, but upon the individual’s consumption motive. For instance, one individual may have primarily utilitarian intentions when entering a restaurant, such as to consume food to stave off hunger, while another’s intentions may be hedonic, such as to enjoy a pleasant meal with friends or colleagues (Noone and Mattila, 2009). These arguments reflect that the restaurant setting is appropriate for our study. We begin descriptive of our conceptual development by discussing the importance of social companions relative to consumer dissatisfaction evaluation toward a service provider in cases of other-customer failure.

2.2. Social companion

A number of studies have shown that people who are part of a group act and respond differently than they would as individuals (Finsterwalder and Tuzovic, 2010). Jakobs et al. (1996), for example, investigated the relationship between the social context and emotional experience. Participants were asked to imagine being in a situation in which they had broken some glasses after a birthday party. The results indicated that their response was less angry when in the company of a friend than when alone. Jakobs et al. (2001) examined the generalizability of social context effects in relation to facial expressions made in response to negative emotional stimuli (sad film clips) and found that the displays of sadness occurred much less often in the company of a friend than when alone. Similarly, Buck et al. (1992) showed that the expression of negative emotion was inhibited when with a friend rather than alone. In Jackson and Latané’s (1981) study of stage fright, participants reported less nervousness and tension when performing in groups than when alone. Recently, He et al. (2008) evaluated the impact of social presence during positive and negative service encounters and revealed that in comparison with conditions with no social presence, social presence (friends) significantly reduced the negative effect of a disappointing other-attributed service encounter.

In summary, these studies showed that the presence of social companions can help to diminish the negative emotions or dissatisfying incidents. Thus, it is reasonable to expect that when customers suffer from other customer’s dysfunctional behavior (e.g., talking loudly), those who are accompanied by social companions will report a lower level of dissatisfaction with the service firm than if they are alone.

H1. In cases of other-customer failure, services experienced with companions will show a lower level of dissatisfaction toward the service provider compared to services experienced alone.

Although a group differs from an individual, not all groups act the same. Finsterwalder and Tuzovic (2010) highlighted that in the service context, an individual in a smaller group may perceive
Table 1
A chronological review of negative customer-to-customer interaction (NCCI) research.

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Methods</th>
<th>Types of service</th>
<th>Findings and conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martin and Pranter (1989)</td>
<td>Observations, focus groups and content analysis</td>
<td>Restaurants, bars, airlines, health clubs and so on.</td>
<td>Fellow customer’s satisfaction with service encounters depending on his/her compatibility with other problem customers.</td>
</tr>
<tr>
<td>Bitner et al. (1990)</td>
<td>Critical incident technique</td>
<td>Restaurants, hotels and airlines</td>
<td>Other customer behaviors can cause strain within the environment of the service encounter (e.g., intoxication, rudeness, social deviance).</td>
</tr>
<tr>
<td>Hui and Bateson (1991)</td>
<td>Experiments</td>
<td>Bars and banks</td>
<td>Density will produce negative (positive) emotional and behavior effects in a bar (bar).</td>
</tr>
<tr>
<td>Pranter and Martin (1991)</td>
<td>Observations, in-depth interviews and content analysis</td>
<td>Restaurants, airlines, theaters and so on.</td>
<td>Identifying ten roles a service provider can play in managing NCCI.</td>
</tr>
<tr>
<td>Martin (1996)</td>
<td>Field surveys</td>
<td>Restaurants and bowling alleys</td>
<td>Impact of other-customers’ public misbehavior on the satisfaction of fellow customers.</td>
</tr>
<tr>
<td>Grove and Fisk (1997)</td>
<td>Critical incident technique</td>
<td>Theme parks</td>
<td>Two categories (protocol incidents and sociability incidents) that capture how the NCCI damages the service experience.</td>
</tr>
<tr>
<td>Grove et al. (1998)</td>
<td>In-depth interviews</td>
<td>Theme parks</td>
<td>Other customers account for a higher rate of dissatisfying events than due to the service employees or settings.</td>
</tr>
<tr>
<td>Harris and Reynolds (2003)</td>
<td>In-depth interviews</td>
<td>Restaurants, hotels and bars</td>
<td>Other-customer dysfunctional behavior is associated with two main effects (domino effects and spilt consumption effects) on fellow customers.</td>
</tr>
<tr>
<td>Harris and Reynolds (2004)</td>
<td>Critical incident technique</td>
<td>Restaurants, hotels and bars</td>
<td>Reveals eight different forms of deviant customer behavior including undesirable customers, oral abusers, etc.</td>
</tr>
<tr>
<td>Raajpoor and Sharma (2006)</td>
<td>Experiments</td>
<td>Restaurants</td>
<td>Mood, prior expectations and perceived control over outcomes are areas that service firms need to concentrate on to reduce perceived incompatibility.</td>
</tr>
<tr>
<td>Wu (2007)</td>
<td>Field surveys</td>
<td>Tourism</td>
<td>There are six factors affecting the perception of customer-to-customer interactions where “malcontent incidents” have a negative impact on customer satisfaction.</td>
</tr>
<tr>
<td>Wu (2008)</td>
<td>Field surveys</td>
<td>Tourism</td>
<td>There are six factors affecting the perception of customer-to-customer interaction incidents. NCCI behaviors such as the malcontent behaviors have a negative impact on customer satisfaction and loyalty and rude behaviors have a negative impact on loyalty.</td>
</tr>
<tr>
<td>Huang (2008)</td>
<td>Field surveys</td>
<td>Restaurants, theaters, hotels and so on</td>
<td>In cases of NCCI, both the firm responsibility and severity of other customer failure are negatively related to satisfaction, while the perceived employee effort has a positive effect on satisfaction.</td>
</tr>
<tr>
<td>Reynolds and Harris (2009)</td>
<td>Field surveys</td>
<td>Restaurants, hotels and bars</td>
<td>This study reveals that psychological obstructionism, dissatisfaction with service and the servicescape (including the behavior of fellow customers) are associated with the severity of deliberate dysfunctional customer acts.</td>
</tr>
<tr>
<td>Huang (2010)</td>
<td>Experiments</td>
<td>Restaurants</td>
<td>In cases of NCCI, the outcome valence (misbehavior discontinues vs. continues) and perceived employee effort influence how complainants and non-complainants rate their satisfaction and behavioral intentions.</td>
</tr>
<tr>
<td>Huang et al. (2010a,b)</td>
<td>Experiments</td>
<td>Restaurants</td>
<td>In cases of NCCI, controllability and stability attributes negatively influence customers’ service evaluations. However, these harmful effects will be moderated by the globality attributions.</td>
</tr>
<tr>
<td>Zhang et al. (2010)</td>
<td>Critical incident technique</td>
<td>Restaurants, theaters, hotels, gyms and so on</td>
<td>Direct NCCIs take on the form of “fighting” between customers while indirect NCCIs involve incidents in which other customers are “loud” or “rude.”</td>
</tr>
<tr>
<td>Miao et al. (2011)</td>
<td>Experiments</td>
<td>Restaurants</td>
<td>This study uncovers how psychological closeness (temporal, spatial and relational closeness) moderates the magnitude of consumer responses to the behaviors of others.</td>
</tr>
<tr>
<td>Baker and Wakefield (2012)</td>
<td>Quasi-experiments</td>
<td>Shopping malls</td>
<td>A fellow customer’s shopping orientation (task vs. social) influences perceived crowding and feelings toward the mall.</td>
</tr>
<tr>
<td>Daunt and Harris (2012)</td>
<td>Field surveys</td>
<td>Restaurants, hotels and bars</td>
<td>Fellow customers can act as triggers for differently motivated acts of other-customer misbehavior.</td>
</tr>
<tr>
<td>Griffiths and Gilly (2012)</td>
<td>Observations, in-depth interviews and so on</td>
<td>Cafés</td>
<td>This paper examines how and why other-customers engage in territorial behavior and how fellow customers negatively respond.</td>
</tr>
</tbody>
</table>

an experience differently than one in a large group. In addition to group size, different types of collections of people have to be identified. From the literature (Ryu and Feick, 2007; Wirtz and Chew, 2002), we find that there are two basic types of groups that a service provider may potentially encounter, namely groups with strong ties and those with weak ties. Therefore, we will further demonstrate that the number of companions present (i.e., group size) and the strength of ties with these companions interact to influence the individual’s evaluation of dissatisfaction at the time of other-customer failure.
2.3. Group size and tie strength

The number of companions who are present in the same environment has been shown to affect the customer’s emotional and behavioral reactions. Jackson and Latané (1981), for example, in stage fright research, asked participants to imagine how nervous and tense they would be singing the anthem in front of pictured audiences in the company of zero, two, or eight other singers. They found that as the number of co-performers decreased, the nervousness and tension about performing increased. The authors concluded that the number of co-performers matters, probably because any given member in a smaller group: (1) attracts relatively more attention from both the audiences and other performers; (2) carries a larger portion of the responsibility; (3) is less able to hide in the crowd; and (4) suffers stronger negative consequences from an inadequate performance. In another study, Kolyesnikova and Dodd (2008) surveyed wine purchasing tourists, focusing on the number of travel companions in a group. Their findings indicated that visitors who traveled in smaller groups (i.e., in the company of one or two people) tended to spend more money on wine and/or wine souvenirs than those in larger groups. One possible conclusion would be that purchasing is more visible with smaller groups of visitors. If visitors are aware that their purchasing behavior is more noticeable to their travel companions and winery personnel, they may feel more of a need to make more purchases.

Combined, these findings reveal that when in the company of a small group of companions, individuals might be more susceptible to others and concentrate more on the social aspects of the experience, which in turn facilitates their emotional response (stage fright) or consumption behavior (wine shopping). Similarly, in the case of other-customer failure, those in small groups may be more susceptible to their companions’ influence and will pay more attention to the harmful experience, which in turn causes them to produce more negative evaluations of the service provider. Prior research on emotional contagions in service encounters has shown evidence that customers who share a consumption experience do influence each other’s ongoing evaluations through the processes of mimicry and emotional contagion that can occur outside conscious awareness (Dallimore et al., 2007; Du et al., 2011).

As we will explain, however, the effect of group size on dissatisfaction is tempered or moderated by the strength of ties that customers have with their social companions. We predict that the strong ties will weaken the impact related to the number of companions.

Granovetter (1973) defined tie strength as the closeness or intensity of the bonds between members of a network. Consumers generally have a wide range of relationship ties within their social network, from strong ties such as those with close friends and family members to weak ties such as those with colleagues and strangers (Keckler and Hartman, 1994). Richins (1980) has shown that strong tie groups know more about each other’s needs and preferences than weak tie groups. With strong ties, customers are more likely to express the true extent of their dissatisfaction, because they are less likely to change their perception of a person they are close to as a result of a negative consumption experience (Richins, 1980). Wirtz and Chew (2002), for example, demonstrated that when dissatisfied, customers in strong tie groups are more likely to make a recommendation not to purchase. Wagner and Smith (1991) revealed that senders who view sad slides in the company of friends (strong ties) are significantly more expressive than are senders who view them with strangers (weak ties). In a similar vein, Yamamoto and Suzuki (2006) reported that pairs of friends are likely to utilize frowning in order to communicate a negative emotional state. In contrast, pairs of strangers are more inclined to inhibit the expression of frowns. Recently, Yan and Lotz (2009) strove to determine whether the presence of other customers would influence the decision of a dissatisfied customer to voice their complaints. Their findings revealed that consumers who are accompanied by unacquainted others (weak ties) choose not to complain because they are afraid that others may form a less favorable impression of them.

The studies reviewed above indicate that people are less concerned about making a good impression with someone who they know well than with those whom they only share weak ties. Thus, we predict that although a decrease in the number of companions may result in greater susceptibility to others, which in turn facilitates customers’ dissatisfaction evaluations when negative encounter occurs, being in the company of companions sharing strong ties will decrease this effect, making customers feel less uncomfortable and less concerned with impression management, and therefore less affected by the smaller number of companions.

As a result, individuals in a strong tie group report insignificant dissatisfaction evaluation between the small and large companion groups. In other words, the strength of the ties acts as a moderator for the effect of group size.

H2. In case of other-customer failure, the group size interacts with the strength of group ties, so that customers with weak ties will experience a higher level of dissatisfaction when the group size is small rather than large. In contrast, customers with strong ties will experience an insignificant difference in dissatisfaction evaluation depending on group size.

3. Study 1

3.1. Research design

To investigate the effects of group size and tie strength on dissatisfaction evaluation of the service provider in cases of other-customer failure, a 2 (small vs. large companion group) × 2 (strong vs. weak tie companion) + 1 (control condition of no companion) between-subject experiment was used. Huang et al. (2010a,b) studies group size by observed a number of groups of people dining at restaurants. They defined a group of two to six individuals as a small dining group and more than seven as a large group. Thus, in the small group condition, there is one companion (two persons being the smallest group) versus six companions in the large group condition (total of seven persons in the large group). The manipulation of strength of ties has been referred to in Kleijnen et al. (2005), in which friends and colleagues were included to represent the particular type of co-consumption others. Thus, with this definition, in the strong tie condition, the companion is assumed to be a friend (or friends) who have known each other for over 6 years; in the weak tie condition, the companion is assumed to be a colleague (or colleagues) who have known each other for over 6 months.

Participants were asked to read a written scenario describing an incident of other-customer failure in a Chinese restaurant. This role-playing approach has been successfully used in a number of customer misbehavior studies (e.g., Huang, 2010; Huang et al., 2010a,b; Miao et al., 2011; Raajpoot and Sharma, 2006). The scenario method was used because it allows for greater control over the independent variables of interest, removes unmanageable variables that can be a problem in field studies, and saves time by summarizing events that might otherwise unfold over days or weeks (Bittner, 1990). Further, as Smith et al. (1999) point out, there is considerable risk of response bias due to memory lapses or rationalization limitations of retrospective accounts of personal experiences after other customer failure. For these reasons, we believe that the scenario approach is an appropriate methodology for this study.
3.2. Sample and procedures

Consumers at a large shopping center in Taiwan served as the subject pool. Participants were approached individually at several entrances to the shopping center. To ensure that participants had experience with colleagues so that they could respond correctly to our manipulation, only working adults were invited to participate in the survey. The surveys were run on Thursday, Friday, and Saturday, so that both weekday and weekend consumers could be polled. A total of 189 working adults took part in the survey. The average age of participants was 41 years, 58.3 percent were female, and their average work experience was 16.5 years. Of the participants, 54.4 percent had a college degree or higher and 96.3 percent reported that they had been bothered by other customers in a restaurant, in a way that was very similar to the story used in our scenarios. As these demographic variables had no significant effects in either of the studies, they were excluded from further analyses.

Each respondent was given a survey kit consisting of a questionnaire and a randomly chosen scenario, ranging in cell size from 36 to 42. They were told that “We are interested in understanding what consumers think about restaurant services. Please read the following scenario carefully and imagine that the incident has happened to you during a visit to a restaurant, and then answer the questions. The key to the success of this research depends on whether you are really able to imagine yourself in these situations.” After this introduction, participants read one of five hypothetical scenarios. At the end of the survey, respondents were asked to complete some demographic information.

3.3. Stimuli development

The setting and scenarios used in Huang et al.’s (2010) scenarios were applied in this study. Specifically, it is assumed that other patrons are talking in overly loud voices in a tranquil Chinese restaurant. The scenarios were modified to add the treatment for social size as well as tie strength. Participants in the strong-tie small group condition were asked to imagine the following scenario (translated from the original Mandarin Chinese; the weak-tie large group condition is placed in brackets):

After a busy week, you have decided to go out for a relaxing dinner at a Chinese restaurant with one [six] friend [colleague] on a Friday evening. You have known each other for over 6 years [6 months]. After entering the restaurant, a hostess seats you near the window. You find the atmosphere in the restaurant to be a perfect blend of comfort and tranquility. After a short period, your meal is served. While the two of you [seven of you] are enjoying the delicious food, it gradually comes to your notice that the peaceful environment is being disrupted by loud noise from an adjacent table. There are four rowdy and boisterous young people seated there, who do not seem to mind that you and some other patrons are glaring at them. You quickly finish your dinner and leave the restaurant.

In the control condition, no companion is present and participants read the following:

After a busy week, you have decided to go out for a relaxing dinner on a Friday evening to a Chinese restaurant. After entering the restaurant, a hostess seats you near the window. You find the atmosphere in the restaurant to be a perfect blend of comfort and tranquility. After a short period, your meal is served. While you are enjoying the delicious food, it gradually comes to your notice that the peaceful environment is being disrupted by loud noise from an adjacent table. There are four rowdy and boisterous young people seated there, who do not seem to mind that you and some other patrons are glaring at them. You quickly finish your dinner and leave the restaurant.

3.4. Manipulation checks

To assess the group size manipulation, participants were asked how many, if any, other people accompanied them to the restaurant. Analysis of variance (ANOVA) with the measure of the number of companions in the restaurant as the dependent variable and group size as the independent factor produced a significant effect (\(M_{\text{comp}} = 0.29, M_1 = 1.08, M_6 = 6.01, F(2, 186) = 5464.35, p < .001\)). Post hoc (Scheffe) testing showed that the difference between any two of these group sizes was highly significant (\(p < .001\)).

The tie strength asked participants the extent to which they agreed to the four statements regarding their relationship with the friend[s] [colleague[s]] whom they had dinner with (\(\alpha = .89\)): “You share a close bond,” “You have a close relationship,” “You are supportive of each other,” and “Your association is strong.” These items were adapted from Ryu and Feick (2007) and were measured on a Likert-type seven-point scale, ranging from strongly disagree (1) to strongly agree (7). The strong tie group received a mean rating of 5.14 and the weak tie group received a mean rating of 3.32, \(t(145) = 10.49, p < .001\). Taken together, these results suggest that our manipulations were perceived as intended.

3.5. Measures

All multiple-item scales in this study were measured on a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree). Dissatisfaction with the service provider was measured using the scale adopted from Hess et al. (2007) and included the following items: “I am displeased with this restaurant,” “I am unhappy with this restaurant,” and “I am dissatisfied with this restaurant” (\(\alpha = .79\)). Since there has been considerable research identifying failure severity as a potential moderator of customer satisfaction (Huang, 2008; Smith et al., 1999), Huang’s (2008) 2-item failure severity measure was used to assess the severity of other-customer failure and account for potential variation: “The noise caused by other patrons was a severe service problem” and “The noise caused by other patrons was a significant service problem” (1 = strongly disagree, 7 = strongly agree) (\(r = .67\)).

Several additional measures were included to ascertain whether the experimental procedures worked as intended. These included measures of how realistic the scenario was, how easy it was for participants to imagine themselves in the role of the customer, and what they thought the purpose of the research was.

3.6. Validity of the experimental procedures

Analysis showed that participants found the scenario to be realistic and the role-playing easy. The mean rating for scenario realism was 5.79 (with 7 indicating “extremely realistic”). When asked to rate how easy it was to imagine themselves as the customer on a seven-point scale, the mean rating was 5.27. There was no significant difference (\(p > .25\)) in terms of the realism and ease of role-playing among the different treatment groups.

4. Results

The first hypothesis holds that in cases of other-customer failure, customers experiencing with either one companion or six companions will show lower levels of dissatisfaction toward the service provider compared to service experienced alone. ANOVA results demonstrated that group size significantly affected participants’ dissatisfaction evaluations, \(F(2, 186) = 6.34,\)
p < .01. However, post hoc (Scheffe) testing produced a surprising result. Specifically, the prediction that service experienced with companion(s) would result in decreased dissatisfaction was not realized. Instead, participants in the one-companion and six-companion conditions reported higher dissatisfaction with the service provider than those in the control (no companion) condition ($M_{\text{no companion}} = 3.83 \text{ vs. } M_{\text{1 companion}} = 4.59, p < .001; M_{\text{6 companions}} = 3.83 \text{ vs. } M_{\text{2 companions}} = 4.36, p < .05$). There was no significant difference in dissatisfaction between the one-companion and six-companion conditions ($p = .40$). Therefore, H1 was rejected.

Next, we analyzed the effects of group size and tie strength on dissatisfaction ratings by analysis of covariance (ANCOVA), using failure severity as the covariate. A key assumption underlying the ANCOVA is the slope homogeneity of the covariate. The lack of significant interactions between the treatment variables and the covariate reveals that the covariate included in the model has the same effect across all treatments (Kutner et al., 2004). Tests for slope homogeneity produced insignificant results ($p = .96$), thereby meeting the homogeneity of slope assumption. Consequently, the research questions were examined by means of a $2 \times 2$ ANCOVA. The ANCOVA results revealed that failure severity was significant, $F_{(1, 142)} = 21.64, p < .001$. The corresponding cell means were adjusted accordingly for the analysis of covariance and planned comparison main effects testing. In accordance with H2, there was a significant two-way interaction effect between group size and tie strength: $F_{(1, 142)} = 4.40, p < .05$. No other findings were significant. As can be seen in Fig. 1, participants in the weak tie condition scored higher levels of dissatisfaction when the group size was small than when it was large ($M_{\text{small group}} = 4.91 \text{ vs. } M_{\text{large group}} = 4.34, F_{(1, 142)} = 5.80, p < .05$). Conversely, participants in the strong tie condition scored insignificant dissatisfaction between the small and large companion groups ($M_{\text{small group}} = 4.26 \text{ vs. } M_{\text{large group}} = 4.40, F_{(1, 142)} = .34, p = .56$). Therefore, H2 was supported.

To sum up, the results of study 1 showed that when the size of the companion groups increased from no one to one companion, the mean score of dissatisfaction increased considerably. The score then leveled off when the group size increased from one to six people. That is, the least dissatisfaction was experienced when participants were alone. This finding contradicts our predictions. A possible explanation for this unexpected outcome may be found in Zajonc’s (1965) social facilitation theory. This theory claims that the presence of others increases the individual’s drive state or level of arousal which in turn enhances the expression of dominant responses. Other-customer failure in this enhanced drive state, then, would result in an increase in the rate with which the customers emit the dominant response of dissatisfaction with the service organization. Put differently, the presence of companions has a facilitating effect on dissatisfaction evaluation negative customer-to-customer encounters.

Moreover, in the present study, we found that there was an interaction between the group size and tie strength. Specifically, it is only when customers were accompanied by companions with weak ties that the number of companions in a group influenced their level of dissatisfaction with the service provider—the smaller group showed higher dissatisfaction. In contrast, consumers who were accompanied by companions with whom they had strong ties were unaffected by the group size. Thus far, we have focused on a relaxing dinner alone or with small- or large-sized social companions. However, instead of a relaxing dinner (i.e., a hedonic goal), there is sometimes a utilitarian motive to eat out alone or in a group—to get a quick meal to satisfy hunger (Noone and Mattila, 2009). In fact, this is the case in many real situations. What difference would this make in the ratings of dissatisfaction for customers with small/large group of strong tie/weak tie companions at the time of other-customer failure when the goal for restaurant dining changes to utilitarian from hedonic? Study 2 was designed to answer this question.

5. Study 2

5.1. Consumption goals

Consumers enter consumption situations with various goals in mind (Bittner, 1992). These goals can be primarily categorized as one of two types: utilitarian or hedonic (Batra and Ahtola, 1991). Utilitarian goals are mainly functional or instrumental in nature (Rabin et al., 1994). With hedonic goals, on the other hand, the focus is on the consumption experience, reflecting the need for fun, pleasure and excitement (Holbrook and Hirschman, 1982). While products and services can be purchased for both hedonic and utilitarian reasons (e.g., dining in a restaurant may offer a pleasurable experience as well as a means to satisfy hunger) these two constructs can be conceptualized as being separate (Dhar and Wertenbroch, 2000).

Prior studies have confirmed that different consumers may approach the same service at the same time and place with different goals, resulting in different perceptions and evaluations of the same consumption experience (see Wakefield and Inman, 2003). Jones et al. (2006), for example, investigated the differences in shopping values with several important retail outcome variables. Their results suggest that satisfaction with the retailer is influenced more by the hedonic shopping value than utilitarian shopping value. On the other hand, the utilitarian shopping value is more strongly related to patronage intentions. Chitturi et al. (2008) showed that the emotional responses arising from failing to meet hedonic and utilitarian expectations differ significantly. Failing to meet hedonic expectations evokes dissatisfaction, while failing to meet utilitarian expectations evokes anger. Strombeck and Wakefield (2008) indicated that hedonic (utilitarian) consumption motives lead to positive (negative) service quality evaluations. These studies revealed that customers’ service perceptions and evaluations might differ when the consumption goal for a given service could be either hedonic or utilitarian.

In addition, a number of studies have demonstrated that the consumption goal determines the customers’ tolerance/acceptance of other customers within a service environment. Pons et al. (2006), for example, found that in a crowded leisure setting such as a sports bar or disco (hedonic goal), people are more willing to share their space with others. In a similar vein, Noone and Mattila (2009) examined the effects of consumption goals on consumers’ reactions to crowding. The results showed that perceived crowding
(the perceived number of individuals) has a negative influence on satisfaction with utilitarian consumption goals but not with hedonic consumption goals. More recently, Baker and Wakefield (2012) investigated how consumer shopping orientation influences perceived crowding at the mall. They found that utilitarian (hedonic) shopping orientation increases (decreases) perceived crowding. In a different study, Tombs and McColl-Kennedy (2010) employed unobtrusive field observation techniques to investigate the social and spatial influence of customers on other customers in three coffee shops. Their findings reveal that socially meeting customers (hedonic goal), whether individuals or smaller groups (e.g., couples), are likely to want to be located close to other customers. Conversely, business meeting customers (utilitarian goal) are likely to desire privacy and thus tend prefer to be spatially apart from other customers. Additionally, larger groups (three or more customers) appeared to sit randomly in the café without any reference to other customers. These observations suggested that customer’s choice of table is not only determined by the consumption goal for which the service is purchased but also by the number of companions seated together (i.e., group size). This self-selection seating behavior indicated that there is a pre-existing expectation of what the expected behavior of others will be. If expectations are violated, customers’ satisfaction ratings will be affected correspondingly.

In all, these studies showed that the consumption goals act as internal drivers that determine a customer’s tolerance level relative for the behavior of others and consequently, affect their service evaluations. For the present purpose, these findings imply that the effect of group size and tie strength on dissatisfaction evaluation (as found in Study 1 under the condition of hedonic goal) may differ when the goal for restaurant dining changes to utilitarian from hedonic. Thus, we anticipate that:

H3. The consumption goal will moderate the effect of group size and tie strength on dissatisfaction with the service provider in cases of other-customer failure.

5.2. Research design

A 2 (group size: small vs. large) × 2 (tie strength: strong vs. weak) × 2 (consumption goal: utilitarian vs. hedonic) × 1 control between-subject factorial design was used to test our predictions. Both group size and tie strength were manipulated as in Study 1. The manipulation of consumption goals was employed based on Noone and Mattila’s (2009) study. In the utilitarian condition, participants were asked to imagine that it is a Friday evening and they have decided, while en route by car to Kaohsiung from Taipei, to stop at a restaurant for a quick dinner because they are hungry. In the hedonic goal conditions, participants are told that they are meeting someone for dinner on a Friday night. After an intense workweek they are looking forward to relaxing and socializing with their companions. In the control condition, participants were asked to read as: “You have decided to go out for a dinner on a Friday evening in a Chinese restaurant...” (similar to the scenario used in Study 1’s control condition but consumption goal was not mentioned or emphasized). This condition often happens in the time-out occasions that were observed by Tombs and McColl-Kennedy (2010). During time-out occasions customers tended to sit and consume alone.

5.3. Data collection

Working adults at a large education training center were recruited as volunteers. Advertisements were posted on bulletin boards. They were offered a small gift (about US$5 in value) for participating. Two hundred sixty individuals took part in the survey. Of these, 6 responses were eliminated from the analysis due to incomplete data. The 254 remaining responses were divided into nine treatment groups, ranging in size from 28 to 30. The average age of the participants was 35 years; 160 (63%) of the respondents were female, 94 (37%) were male; the average work experience was 10.2 years. Furthermore, 63.7% had a college degree or higher; 89.9% reported that they had been bothered by other customers in a restaurant in a way that was very similar to the story used in the scenarios.

5.4. Measures

Dissatisfaction with the service provider (α = .82), tie strength (α = .85), and failure severity (r = .77) were measured as in Study 1. The consumption goal was tested using the scales borrowed from Noone and Mattila (2009): “When I entered the restaurant, my main goal was to have a quick dinner” (utilitarian goal) and “When I entered the restaurant, my main goal was to have a relaxing dining experience” (hedonic goal).

6. Results

6.1. Manipulation checks

As expected, participants in both one-companion and six-companion conditions recalled significantly more people accompanying them in a restaurant than in the control condition. The ANOVA results yielded a significant main effect (Mutilitarian companion = 0.07, Mutilitarian companion = 1.13, Mhedonic companions = 6.02, F(2,251) = 80.1486, p < .001). Post hoc tests showed differences between each condition (p < .001). In addition, the strong tie group received a mean rating of 5.25 and the weak tie group received a mean rating of 3.63, t(222) = 14.71, p < .001. Finally, mean ratings for the goal item “When I entered the restaurant, my main goal was to have a quick dinner” were significantly higher for the utilitarian goal condition than the hedonic goal condition (Mutilitarian = 5.70, Mhedonic = 2.06, t(222) = 28.08, p < .001). Mean ratings for the goal item “When I entered the restaurant, my main goal was to have a relaxing dining experience” were significantly higher for the hedonic goal condition than the utilitarian goal condition (Mutilitarian = 4.38, Mhedonic = 5.42, t(222) = −4.95, p < .001). Batra and Ahtola (1991) argued that the classifications of goals or motivations do not need to be mutually exclusive, as most products and services are a combination of both. Dhar and Wertenbroch (2000) suggested that it is possible to rank products and services as more utilitarian or more hedonic, that is, providing mainly utilitarian or hedonic benefits to consumers. Taken together, these results indicate that our manipulations were effective.

6.2. Hypotheses testing

To test H1 the control condition of no companions was used to compare with one-companion and six-companion conditions, F(2,251) = 4.89, p < .01. Post hoc tests showed that dissatisfaction was lower for the control condition (M = 4.28) than the one-companion (M = 4.96, p < .05) and six-companion conditions (M = 5.00, p < .001). These means were in the opposite direction, indicating that participants experienced the least dissatisfaction in the case of other-customer failure when they were alone. Thus, H1 was not supported.

To test our H3, a 2 × 2 × 2 ANOVA was used (slope homogeneity test produced insignificant results, p = .89). Because failure severity was again significantly positively associated with dissatisfaction (F(1,215) = 31.60, p < .001), it was entered into the ANOVA as a covariate to control for its effects. As can be seen in Table 2, there was a significant main effect of tie strength (Mstrong tie = 4.82 vs. Mweak tie = 5.14, F(1,215) = 5.38, p < .05) and a significant three-way
interaction effect between group size, tie strength, and consumption goal ($F_{1, 215} = 6.11, p < .05$). No other findings were significant. The interaction was next examined to test our predictions (see Fig. 2). As expected, there was no statistical difference in dissatisfaction evaluations of the service provider for participants in the strong tie conditions, regardless of the group size or consumption goal: $M_{\text{Utilitarian-small}} = 4.85$, $M_{\text{Utilitarian-large}} = 4.78$, $M_{\text{Hedonic-small}} = 4.74$, $M_{\text{Hedonic-large}} = 4.90$, all $p > .1$. Participants in the weak tie conditions, however, exhibited differences in their dissatisfaction ratings depending on the group size as well as the consumption goal. Specifically, weak-tie participants who had utilitarian goals rated their level of dissatisfaction higher when the group size was large than when it was small ($M_{\text{small-group}} = 4.91$ vs. $M_{\text{large-group}} = 5.50, F_{1, 215} = 4.43, p < .05$). Moreover, the reverse was true for weak-tie participants with hedonic goals ($M_{\text{small-group}} = 5.36$ vs. $M_{\text{large-group}} = 4.80, F_{1, 215} = 3.95, p < .05$). Taken together, these results support H3.

6.3. Discussion

This study again indicates that participants rated themselves as more dissatisfied with the service provider in the company of social companions, as compared to when they were alone (at the time of other-customer failure). Moreover, the results of Study 2 showed that being in the company of companions that share strong ties has inhibitory effects relative to being in the company of those with whom one has weak ties, whereas the effects of weak ties would depend on the number of companions as well as the goals for which that service was purchased. Specifically, with hedonic consumption goals, the weak tie customers’ dissatisfaction is higher when the group size is small than when it is large. In contrast, with utilitarian consumption goals, the weak tie customers’ dissatisfaction will be higher when the group size is larger than when it is small.

7. General discussion

Although the misbehavior of other customers has long been acknowledged as important in the hospitality management literature, the impact of situational factors on the evaluation of other customer misbehavior has received little attention (Martin, 1996; Nicholls, 2005, p. 180). This current study contributes to the limitations in the literature by looking at how situational contexts, such as group size, tie strength, and consumption goals influence the customer’s reaction to the misbehavior of other customers in a Chinese restaurant context. We find that participants did show greater dissatisfaction with the service provider at the time of other-customer failure when accompanied by companions, as compared to when they were alone. This result is inconsistent with previous findings on social inhibition of expression (Buck et al., 1992; Jakobs et al., 1996, 2001; Jackson and Latané, 1981; He et al., 2008). Instead, participant’s dissatisfaction was facilitated in the presence of their companions. Similar evidence of social facilitation of expression has been found by Brightman et al. (1977) and Chovil (1991), who demonstrated that the presence of co-acting peers has a facilitating effect on facial response to negative stimuli. This finding is important since a number of hospitality services are consumed involving a collection of social companions. Hardly anyone would enjoy a restaurant meal or a bowling alley or a theme park where only one’s own group is present. The impact of social companions on dissatisfaction evaluation of the service provider needs to be identified. Our findings thus contribute to this.

Moreover, our results from Study 1 reveal that dissatisfaction evaluation of the service provider is heavily dependent on the relationship with the companions present. It is only when customers are accompanied by weak tie companions that group size affects their dissatisfaction ratings—a smaller group shows higher dissatisfaction. The same pattern was found in Study 2 for customers with hedonic consumption goals. However, an inverted pattern arises where the larger group scores higher dissatisfaction for customers with utilitarian goals. Put differently, there is an interaction

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Fig. 2. Three-way interaction between group size, tie strength, and consumption goals (Study 2).
between the group size and consumption goal for participants with weak ties. In contrast, participants with strong ties, regardless of group size or consumption goal, show no difference in their dissatisfaction evaluations.

In short, other-customer failure incidents seem to make people sensitive to the strength of ties, such that consumers who are accompanied by weak tie companions are more influenced by the size of the social group and consumption goals than those with strong ties. Although strong ties have been shown to play an important role in the consumption process (He et al., 2008; Luo, 2005; Wirtz and Chew, 2002), the results of our study indicate that weak ties play a critical role in influencing an individuals’ service evaluation at the time of other-customer failure. These findings are new, because in much of the previous work, the focus has been on the antecedents, classifications, and consequences of customer misbehavior (Grove and Fisk, 1997; Huang et al., 2010a.b; Zhang et al., 2010). This study presents an initial investigation concerning the impacts of social factors in the customer misbehavior context. Study findings confirm that what customer A perceives is influenced not only by the misbehavior of customer B, but also by A’s situational context. Our results also add new insight into why some people become more dissatisfied than others as a result of other-customer failure. Such factors seemed to increase the significance of the incident for the affected customers. They seem to intensify the incident. However, it is not only the customer misbehavior but also extra factors which happen to be present which affect the degree of response from customer A to a negative contact with customer B.

7.1 Managerial implications

The findings from this research have several important implications for hospitality service management practices. First, managers must recognize that, in cases of other-customer misbehavior, there are situational influences that play a larger role than previously considered. We find that there is a difference in the level of dissatisfaction expressed by customers accompanied by weak tie companions. In order to aid in minimizing this, a restaurant, for example, could seat patrons (with their weak tie companions) in a separate area where they would be less disturbed by the potential misbehavior of others. Although most restaurants have policies to assign small and large groups to different zones or separate families with young children from couples, our findings indicate that this is not sufficient. Managers need to pay more attention to the relationships between the customer and his/her companions, as well as the consumption goals that patrons have in mind when they purchase a service. A well-designed reservation system and employee training could help with this. It is believed that the most effective way to attenuate other-customer failure is prevention (Huang, 2008). Martin and Pranter (1989) suggested that hospitality firms should actively engage in “compatibility management,” the process of attracting a homogeneous clientele to the service environment, then actively managing both the physical environment and customer interactions, to minimize the frequency of dissatisfying customer-to-customer encounters.

In relation to failure recovery strategies, hospitality managers may want to follow the suggestions of Huang (2010) and Miao et al. (2011), providing employees with suitable coping and problem-solving skills for working with misbehaving customers. More importantly, employees should be trained to help the affected customers, to alleviate dissatisfaction caused by the poorly behaved customer. This can be done by having the employee express empathy towards the affected customer, by solving the problem in an expedient manner, or by offering a heartfelt apology. Moreover, managers could even consider redressing the affected customers with some tangible compensation to raise their level of satisfaction. Improving customer satisfaction is an important goal in business today.

7.2 Limitations and future research

There are numerous opportunities for future research in this area, some of which are made evident by the limitations of this study. For example, to maximize internal validity, hypothetical scenarios rather than an actual consumption experience were used as stimuli, and the setting involved only a single service category (restaurant dining). Future studies including other types of hospitality service and a more natural setting are needed to generalize our findings. Moreover, this study considered only two particular groups of social companions, namely, friends and colleagues. Even though friends were manipulated as strong ties and colleagues as weak ties in our experiments, friends might fall into the weak ties category and colleagues in strong ties. How dissatisfaction might vary based on this change could be another question worth looking at. Further work could also be done to focus on investigating the effect of different types of significant others such as family members. Although friends and family members are both viewed as strong tie relations, they represent different social norms, responsibility, and role expectations (Luo, 2005), and may thus have different impacts on individuals’ service evaluations.

In addition to raising their dissatisfaction toward the service provider, customers who suffer from other-customer misbehavior may choose to strike against those problem customers. Prior work found that individuals who were made to feel bad by another individual will engage in dysfunctional behavior such as revenge in order to make themselves feel better (Spector and Fox, 2002). What is the consequence if customer A’s friend(s) or colleague(s) start misbehaving in response to customer B? This is an interesting topic that needs further investigation. Finally, it would be worthwhile to consider the observable demographic characteristics of problem customers. Thakor et al. (2008) revealed that the perceived age of other consumers in the service setting affects the service-related perceptions and patronage intentions of young adults. Baker et al. (2008) for example argued that the mixed-race of other customers impacts blacks’ perceptions of service failures. Levy (2010) and Nicholls (2011) explored cross-cultural customer-to-customer interaction. They found that different cultures hold different viewpoints towards what constitutes the socially acceptable behavior of others. The implication of their findings is that gender, race, and national differences all play a role in the evaluation of negative customer-to-customer encounters. In light of extensive evidence for the significance of situational factors that emerged in the present study, it would be useful if future other-customer failure research designs were specifically structured to investigate situational factors systematically.

References


