The impact of other-customer failure on service satisfaction

Wen-Hsien Huang
Department of Marketing, National Chung Hsing University, Taiwan, Republic of China

Abstract

Purpose – The purpose of this paper is to investigate how and why other-customer misbehavior has a negative influence on customer satisfaction with the service firm.

Design/methodology/approach – Data for this study were gathered by retrospective experience sampling.

Findings – There are several important findings that can be obtained from the results. First, people consider another customer’s failure to be the firm’s responsibility when they perceive that the failure is under the firm’s volitional control (i.e. controllability attribution). This controllability attribution leads to customer expectations of compensation for recovery from dissatisfaction. Second, stability attributions about other-customer failures were not found to be significantly related to the firm’s responsibility. Third, the severity of the other-customer failure experience bears no relation to the customer’s service recovery expectation, but it is negatively related to satisfaction. Finally, the customer’s evaluation of service is not only affected by the other-customer misbehavior, but also by how employees react to situations when other customers are unruly or potentially disruptive.

Practical implications – Providing employees with the appropriate coping and problem-solving skills for working with problem customers is a key issue for service providers. More importantly, employees should be trained to help the affected customers, to alleviate any bad feelings caused by the other-customer’s misbehavior.

Originality/value – The paper suggests that employees in a service-providing firm may need to act as “police officers” to ensure that all their customers behave appropriately.

Keywords Customer satisfaction, Social interaction, Employee behaviour, Services, Buying behaviour

Paper type Research paper

Introduction

Not only do customers purchase services, but they are also frequently involved in their design and delivery. In this respect, they are co-producers, implying that they do not merely have an influence on the quality of their own experience; they also have an impact on the satisfaction of other customers, as well as the productivity of front-line employees and the firm (Tax et al., 2006). Harris et al. (1997), for example, in an exploratory controlled experiment, found that a customer’s interaction with another customer often led to increased satisfaction during the purchase process, and that comments from the other customer were deemed as more credible than the salesperson’s comments.

Unfortunately, however, customers frequently fail to fulfill this co-production role. Several studies have shown that customer-to-customer interactions generated the
fewest positive service evaluations, and the largest number of negative evaluations in comparison to the service environment and service employees. Bitner et al. (1994), for example, collected 700 incidents from customers of airlines, hotels, and restaurants; they reported that problem customers were the source of 22 percent of the dissatisfactory incidents. This problem customer group may be even larger in industries in which the customer has greater input into the service delivery process. More recently, Grove et al. (1998), in their investigation of the antecedents to satisfying and unsatisfying incidents at Florida theme parks, revealed that other customers were responsible for the smallest proportion (14.09 percent) of satisfying events, but the largest proportion (30.95 percent) of dissatisfying events. Some examples of dysfunctional customer behavior would be customers that smoke in the non-smoking area of a restaurant, guests that disturb others by talking in overly loud voices late at night in a hotel, patrons that use their cell phone during a movie in a theater, customers that cut into the check-out line when people are waiting to pay the bill, individuals that yell to get quick service in a store, and so on. Other-customer failure is said to happen when any action by another customer has a negative impact on one’s service experience.

It is evident that customers affect one another both indirectly, simply by being part of the same environment, and more directly, through specific interpersonal encounters (Martin, 1996). While there is some evidence that customer-to-customer interaction has a negative impact on customer satisfaction with the firm (Bitner et al., 1994; Grove and Fisk, 1997; Harris and Reynolds, 2003), none of these studies have focused specifically on answering why and how this takes place within the service delivery process. The purpose of this study is to investigate this link, to predict what sort of causal attribution can lead to a firm’s assumed responsibility in case of other-customer failure, and how this responsibility attribution, and other factors (e.g. perceived employee effort), may contribute to the evaluation process underlying customer dissatisfaction. It is believed that this focus will not only assist marketers to build a better recovery strategy for when other-customer failure does occur, but will also make a broader contribution to the service-industry literature, through adding insight into interpersonal relationships in customer-to-customer and customer-to-employee encounters in response to other-customer failure.

Figure 1 shows an overview of the conceptual model which is discussed in the following sections.

**Theoretical background and hypotheses**

Empirical findings concerning customer-to-customer contacts in retail and service settings support the hypothesis that customer-to-customer interaction can lead to the development of transactional dissatisfaction (Bitner et al., 1990; Grove and Fisk, 1997; Grove et al., 1998; Guenzi and Pelloni, 2004; Hui and Bateson, 1991; Martin, 1996; Moore et al., 2005; Lehtinen and Lehtinen, 1991). Hui and Bateson (1991), for example, found that customer density and perceived crowding within a service setting had a significant impact upon a customer’s emotional and behavioral response towards the service. Similarly, Grove and Fisk (1997), in their investigation of customer experiences at Florida theme parks, discovered that other-customer behavior (e.g. cutting into the line, talking loudly, smoking, etc.) had a negative effect on the respondent’s overall evaluation of his/her service experience. Based upon a national survey of 554
customers in restaurants and bowling alleys, Martin (1996) confirmed that the negative public behavior of other-customers (e.g. noisy children or drunkenness) did indeed diminish customer satisfaction with the firm.

The question of interest here is: why do customers who are upset by other customers blame the firm rather than the specific misbehaving individuals? More specifically, how does one customer attribute responsibility for other-customer misbehavior to the firm which in turn leads to customer dissatisfaction? Weiner (1980) concluded that customers engage in “spontaneous causal thinking” particularly in cases of unexpected and negative events when they are trying to analyze why the failure occurred. Since identifying the causes of product or service failure and attributing blame are issues covered by attribution theory, this study uses it here as the theoretical basis to provide insight into the factors that determine a customer perception of firm responsibility in response to other-customer failure.

**Attribution theory**

Attribution theory is a collection of several theories that are concerned with the assignment of causal inferences, and how these interpretations influence a customer’s subsequent evaluation (Folkes, 1984; Wirtz and Mattila, 2004). Weiner (1980) suggested that people make attributions along 3Ds: controllability, stability, and locus.

Controllability refers to the degree to which the cause is perceived to be under the firm’s volitional control. This involves the customer’s belief as to whether the organization or personnel could have influenced or prevented a failure from occurring (Hess et al., 2003; Weiner, 2000). In other words, when customers perceive the firm to be able to control another customer’s misbehavior (e.g. talking loudly), but fails to exercise this control (e.g. by saying to that person “Sorry, Sir, but would you please keep your voice down.”), they hold the firm responsible for the negative experience.

Stability addresses the issue of whether the failure is relatively temporary or fairly permanent. Failures with stable causes recur more frequently than failures whose causes are not stable. The perception that a cause is stable would lead the customer to expect a similar outcome in the future (Folkes, 1984). Thus, when customers attribute other customer failure to stable causes, they tend to expect similar failures to recur,

![Figure 1. A conceptual model of the impact of other-customer failure on service satisfaction](image-url)
so are likely to conclude that if the organization is aware of the potential recurrence of such failures (e.g. cutting in line), they should therefore have policies and procedures in place (e.g. using a take-a-number system) to manage their guests’ behavior, so that they would not be a victim of the other-customer’s misbehavior. Put differently, the firm is responsible for the recurrence of other-customer failure.

The locus of causality is the customer’s perception of where the responsibility for the failure rests (Chebat et al., 1995). For example, “Who is responsible for someone who smokes in the non-smoking area of a restaurant, thereby disturbing other patrons who share the same service setting?” Is it the problem patron or the service provider? As my primary interest is how one customer comes to attribute responsibility for other-customer failure to the firm, attributions of controllability and stability are included in the conceptual model as two important independent variables.

To sum up, when customers perceive that the firm has control over other-customer failure, but fails to exercise that control (i.e. controllability), or perceive that this failure is likely to recur (i.e. stability), they hold the firm responsible for the failure. Wirtz and Mattila (2004) demonstrated that a customer’s perception of a firm’s responsibility has a significant influence of his or her satisfaction evaluations. Therefore, in this study I propose the following hypotheses:

**H1.** Controllability attributions regarding other-customer failures are positively related to a firm’s responsibility.

**H2.** Stability attributions regarding other-customer failures are positively related to a firm’s responsibility.

**H3.** A firm’s responsibility for other-customer failures has a negative impact on customer satisfaction.

**Recovery expectations**

Recovery expectations are related to the customer’s belief that some level of reparation is appropriate after an experience of other-customer failure. Prior research has shown that attributions related to a firm’s responsibility for the failures has a significant effect on the degree to which consumers believe a refund and/or an apology are deserved (Hess et al., 2003; Swanson and Kelley, 2001). Folkes (1984), for example, asked respondents to recall a recent restaurant experience where they were dissatisfied with the taste of their food or beverage, and to explain why they were dissatisfied. The results showed that attributions of blame toward the restaurant were strongly influenced by whether the customers believed that they deserved to receive an apology or refund. Swanson and Kelley’s (2001) findings were similar. They found causal attributions of failure to be positively related to the customers’ service recovery expectations. Based on these findings, this study predicts that customers’ recovery expectations will be influenced by a firm’s assumed responsibility regarding other customer failure.

This study also proposes that a customer’s recovery expectations have a direct, negative effect on customer satisfaction. Consistent with the expectancy disconfirmation paradigm, the higher a customer’s service recovery expectation, the lower their level of satisfaction with the organization will be (Oliver, 1980). There is significant empirical support for both of these relationships (Hess et al., 2003), although not specifically in the domain of other-customer failure:
H4. A firm’s responsibility for other-customer failure has a positive impact on a customer’s recovery expectation.

H5. A customer’s recovery expectation is negatively related to customer satisfaction in the case of other-customer failure.

Severity of other-customer failure

Severity of other-customer failure is defined as the magnitude of loss that customers experience due to this negative incident. Such losses can be either tangible (e.g. loss of money) or intangible (e.g. anger, frustration or inconvenience). The severity of other-customer failure has a direct effect on the outcome, an element that Oliver and Swan (1989) found to be critical to how customers evaluated an exchange. The larger the loss due to service failure, the more inequitable will the customer view the exchange to have been, and the more substantial the recovery effort needed to restore equity (Goodwin and Ross, 1992). Put differently, the level of severity caused by the other-customer failure has a positive impact on the customer’s recovery expectations. In addition, previous research on how customers respond to service failure (Smith et al., 1999) demonstrates that high-failure ratings are associated with lower satisfaction ratings. This study expects to find a similar effect for how customers respond to other customer failure. Hence, the following hypotheses:

H6. Severity of other-customer failure is positively related to the customer’s recovery expectations.

H7. Severity of other-customer failure is negatively related to customer satisfaction.

Perceived employee effort

Perceived employee effort is defined as the amount of energy a customer believes an employee has invested to remedy a negative behavior (Mohr and Bitner, 1995). Previous research has shown that the behavior of employees who come into direct contact with the customer is crucial to customer evaluations of service (Guenzi and Pelloni, 2004; Reynolds and Beatty, 1999). For example, Bitner’s (1990) critical incident study showed that customers often referred to employee effort when describing highly satisfying or highly dissatisfying service encounters. Similarly, Mohr and Bitner’s (1995) two empirical studies demonstrated that perceived employee effort increased customer satisfaction, independent of the success of the service outcome. Based on these studies, it is reasonable to expect that a customer’s evaluation of the service will not only be affected by the other-customer’s misbehavior but also by how the employees react to help solve the problem caused by the other-customer failure. That is, when employee effort exerted to correct other-customer problems is perceived to be high, the customer will be more satisfied with the service of the firm. Conversely, when a lack of employee effort to help solve the problem is perceived, the customer may become angry or dissatisfied with the service of the firm. Combining these arguments, this study proposes the following hypotheses:

H8. Perceived employee effort has a positive effect on customer satisfaction in cases of other-customer failure.
Methods
The data for the present study was gathered by retrospective experience sampling, that is, customer were asked to describe in detail a bad consumption experience that was caused by another customer's misbehavior in a service setting. Next, he/she was asked to answer open- and closed-ended questions about this experience. Giving a detailed description of the experience helps the customer to remember what actually happened and to relive the experience. This approach overcomes some of the limitations inherent to experimental studies where participants are asked to imagine a bad consumption experience caused by other customers, and are told how the service employees react to solve the problem. Such studies tend to be quite artificial, and rely heavily on the respondents’ role playing ability (Greenberg and Eskew, 1993).

The procedure is somewhat similar to that of critical incidents research, but with one noteworthy difference: in the latter, the focus is usually on the autobiographical episode, whereas in experience sampling, the experiences are typically followed by response scales, so are subjected to standard testing (Bougie et al., 2003). Although this procedure does not overcome all possible shortcomings related to the use of retrospective life accounts, it has already been successfully applied in current service failure research (Bougie et al., 2003; Zeelenberg and Pieters, 2004).

Samples, procedures, and measures
Data were collected in a large-sized shopping mall in Northern Taiwan. Systematic sampling was used to select participants as they walked through the entrances. Data were obtained on a Thursday, a Friday, and a Saturday, so that both weekday and weekend consumers were surveyed. A total of 142 female and 110 male customers, ranging in age from 18 to 64 years, with a median age of 37 years, were asked to recall an earlier negative experience caused by another customer in a service setting. Each was instructed as follows:

Please describe below a specific bad consumption experience with a service organization in which you were affected by another customer’s misbehavior. Describe this experience in sufficient detail so that any reader will understand how you suffered from the other customer’s misbehavior.

Next, the following open-ended questions were asked: “What kind of service was involved? For example, was it in a restaurant, hotel, or...” and “How long ago did it happen?” Participants were provided ample space to write down their responses in large boxes.

The second part of the questionnaire included a set of closed-ended questions. Controllability attributions and stability attributions were measured by adapting the scales used by Wirtz and Mattila (2004). Severity of other-customer failure and recovery expectations were measured by adapting and modifying the scales used by Hess et al. (2003). Firm responsibility was measured using a two-item scale developed from the study by Yen et al. (2004). Perceived employee effort was adapted from the scale used by Mohr and Bitner (1995). Satisfaction with the service firm was adapted from the scale used by Reynolds and Beatty (1999). All items used a Likert-type seven-point response scale, ranging from not at all (1) to very strongly (7).
Results
First, content analysis was performed on the open-ended questions. A total of 27 questionnaires were not included, because the failures described were actually caused by the service employees rather than other customers. Participants reported other-customer failures with a wide variety of service firms: restaurants (33 percent), stores (20 percent), theaters (13 percent), transportation (11 percent), hotels (7 percent), banks (2 percent), post offices (2 percent), schools (2 percent) and others (10 percent). On average, participants reported other-customer incidents that had happened two months earlier. The most often reported failures were: people talking too loudly, children yelling, people cursing, smoking, cutting in line, crowding, and verbal and physical abuse.

Measurement model
The adequacy of the multi-item measures was assessed following the standard procedures employed in marketing research (Gerbin and Anderson, 1988). I first examined item-to-total correlations and coefficient $\alpha$ (or correlation coefficient for two-item scale), then applied exploratory factor analysis to each construct. Because of low item-to-total correlation, I eliminated one item from the scale of satisfaction and one item from the scale of severity. Hence, only three items for the satisfaction scale and two items for the severity scale were retained. Table I displays the survey items. The reliabilities for recovery expectations (Cronbach’s $\alpha = 0.87$), perceived employee effort (Cronbach’s $\alpha = 0.87$), and satisfaction (Cronbach’s $\alpha = 0.87$) were high,

<table>
<thead>
<tr>
<th>Scale items</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Controllability attributions</strong></td>
<td></td>
</tr>
<tr>
<td>The cause of the failure was controllable by the firm</td>
<td>0.90</td>
</tr>
<tr>
<td>The cause of the failure was preventable by the firm</td>
<td>0.89</td>
</tr>
<tr>
<td><strong>Stability attributions</strong></td>
<td></td>
</tr>
<tr>
<td>The causes of the failure were something permanent</td>
<td>0.86</td>
</tr>
<tr>
<td>The causes of the failure were something unchangeable</td>
<td>0.73</td>
</tr>
<tr>
<td><strong>Firm responsibility</strong></td>
<td></td>
</tr>
<tr>
<td>The firm should be responsible for the failure</td>
<td>0.79</td>
</tr>
<tr>
<td>The employee should be responsible for the failure</td>
<td>0.85</td>
</tr>
<tr>
<td><strong>Recovery expectations</strong></td>
<td></td>
</tr>
<tr>
<td>I expected the firm to do everything in its power to solve the failure</td>
<td>0.88</td>
</tr>
<tr>
<td>I didn’t expect the firm to exert much effort to solve the failure ($R$)</td>
<td>0.79</td>
</tr>
<tr>
<td>I expected the firm to try to make up for the failure</td>
<td>0.80</td>
</tr>
<tr>
<td><strong>Severity of other-customer failure</strong></td>
<td></td>
</tr>
<tr>
<td>The failure was a severe service problem</td>
<td>0.86</td>
</tr>
<tr>
<td>The failure was a significant service problem</td>
<td>0.72</td>
</tr>
<tr>
<td><strong>Perceived employee effort</strong></td>
<td></td>
</tr>
<tr>
<td>The employee exerted a lot of energy</td>
<td>0.74</td>
</tr>
<tr>
<td>The employee did not spend much time in this situation ($R$)</td>
<td>0.83</td>
</tr>
<tr>
<td>The employee did not try very hard ($R$)</td>
<td>0.83</td>
</tr>
<tr>
<td>The employee put a lot of effort into this situation</td>
<td>0.79</td>
</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td></td>
</tr>
<tr>
<td>I was pleased with the firm on this particular occasion</td>
<td>0.91</td>
</tr>
<tr>
<td>I was unhappy with the firm on this particular occasion ($R$)</td>
<td>0.78</td>
</tr>
<tr>
<td>I was content with the firm on this particular occasion</td>
<td>0.78</td>
</tr>
</tbody>
</table>

Table I. Scale items and factor loadings
exceeding the minimal acceptable level of 0.70. The Pearson correlation coefficients for controllability attributions ($r = 0.70$), stability attributions ($r = 0.62$), firm responsibility ($r = 0.67$), and failure severity ($r = 0.61$) were all significant (0.000), indicating the reliability of these two-item scales. Exploratory principal component analysis showed the unidimensional structure of all the constructs.

Confirmatory factory analysis, using LISREL 8.50 with maximum-likelihood estimation (Jöreskog and Sörbom, 2001), was then performed on the scales. Multiple fit indexes are reported to assess the model. Given that structural equation modeling has no single statistical test of significance for model fit (Schumacker and Lomax, 1996), several goodness-of-fit measures were used to assess the fit of the model. The relative $\chi^2$ ($\chi^2$/degrees of freedom; $\chi^2$/df), root mean square error of approximation (RMSEA), goodness-of-fit index (GFI), adjusted goodness-of-fit index (AGFI), normed fit index (NFI), and comparative fit index (CFI) were all considered. It was found that for an acceptable model $\chi^2$/df should be 3 or less (Kline, 1998). The standardized RMSEA should not be greater than 0.10, and CFI, AGFI, NFI, and CFI should exceed 0.90 to be acceptable (Segars and Grover, 1993). The confirmatory factor analysis (Bentler and Chou, 1987) results demonstrated an adequate model fit ($\chi^2 = 133.70$, df = 114, $p < 0.05$; $\chi^2$/df = 1.17, GFI = 0.94, RMSEA = 0.028, NFI = 0.93, CFI = 0.99).

Convergent validity was assessed by considering the magnitude of the factor loading of each manifest indicator on its proposed latent construct (Anderson and Gerbing, 1988). All loadings (Table I) were high (above 0.70) and significant, indicating convergent validity. The means, standard deviations and the pairwise correlation coefficients between all the variables (contained in Table II) were used for further structural equation analysis.

Discriminant validity was assessed using Anderson’s (1987) criterion which states that the correlation between two latent constructs ± 2 standard errors does not include one. This criterion was satisfied for all construct pairs. On this basis, the measures/indicators were deemed adequate for further analysis of the structural model.

Structural equation model and hypothesis testing
The structural model was utilized to analyze the hypothetical relationships between the constructs. There was a reasonable model fit ($\chi^2 = 156.46$, df = 121, $p < 0.05$; $\chi^2$/df = 1.29, GFI = 0.93, RMSEA = 0.036, NFI = 0.92, CFI = 0.98). The results

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controllability attributions</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stability attributions</td>
<td>0.33</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm responsibility</td>
<td>0.50</td>
<td>0.29</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recovery expectation</td>
<td>0.29</td>
<td>0.25</td>
<td>0.32</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Failure severity</td>
<td>0.35</td>
<td>0.09</td>
<td>0.40</td>
<td>0.27</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived employee effort</td>
<td>−0.05</td>
<td>−0.23</td>
<td>−0.11</td>
<td>−0.23</td>
<td>0.09</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>−0.38</td>
<td>−0.30</td>
<td>−0.42</td>
<td>−0.42</td>
<td>−0.26</td>
<td>0.38</td>
<td>1.00</td>
</tr>
<tr>
<td>Means</td>
<td>5.02</td>
<td>4.32</td>
<td>4.12</td>
<td>3.51</td>
<td>4.82</td>
<td>3.49</td>
<td>3.84</td>
</tr>
<tr>
<td>SD</td>
<td>1.45</td>
<td>1.32</td>
<td>1.23</td>
<td>1.33</td>
<td>1.25</td>
<td>1.34</td>
<td>1.23</td>
</tr>
</tbody>
</table>

Table II. Correlation matrix, means, and standard deviations
from the structural model used to test the hypothesized research model are shown in Figure 2 and discussed below.

Controllability attributions for other customer failure are positively related to firm responsibility \((\gamma = 0.58, t = 6.67)\), indicating support for \(H1\). However, stability attributions for other-customer failure are insignificantly related to firm responsibility \((\gamma = 0.14, t = 1.68)\). Thus, \(H2\) is not supported. The results indicate support for both \(H3\) and \(H4\). \(H3\) states that firm responsibility for other-customer failure has a negative impact on customer satisfaction \((\beta = -0.35, t = -4.42)\), and \(H4\) states that firm responsibility has a positive impact on the customer’s recovery expectation \((\beta = 0.45, t = 5.48)\).

There is no support for \(H5\), which suggests that there is a negative relationship between recovery expectation and customer satisfaction \((\beta = -0.10, t = -1.42)\). \(H6\) is not supported either, which suggests that the severity of other-customer failure is positively related to a customer’s recovery expectation \((\gamma = 0.14, t = 1.83)\). There is support for \(H7\), which suggests that severity of other-customer failure \((\gamma = -0.26, t = -3.79)\) is negatively related to customer satisfaction. It was hypothesized that perceived employee effort would have a positive influence on customer satisfaction \((H8)\) and the results confirm this \((\gamma = 0.35, t = 5.40)\) supporting \(H8\).

**General discussion**

The findings demonstrate how and why other-customer misbehavior has a profound impact upon one’s service satisfaction with a firm. Based on strong evidence provided by real consumers who have experienced other-customer failure, several important conclusions can be drawn making a contribution to the service marketing literature.

First, when people perceive that the other-customer failure is under a firm’s volitional control, they attribute responsibility for the other-customer failure to the

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**Figure 2.** Structural model

**Notes:** Model fit: \(\chi^2/\text{df} = 1.29\); GFI = 0.93; RMSEA = 0.036; NFI = 0.92; CFI = 0.98.

* Significant at \(p < 0.05\)
firm. For example, if a drunken customer causes problems, the customer tends to blame the service provider for not taking control of the situation, for not containing or moving the drunken individual out of the service setting. This attribution of responsibility consequently leads to customer dissatisfaction with the firm.

Second, stability attributions about other-customer failures were not found to be significantly related to the firm’s responsibility. To further examine why this hypothesis was not supported, I work through the experience reports and see what was going on. The answers focused on the incidents respondents had experienced. In addition, several respondents postulated reasons for the dysfunctional behavior of problem customers (e.g. the senior cut into the queue because he was too old to wait in a long line). Some of the respondents, however, specifically mentioned causal attributions. Since the open-ended question was not mainly directed to the attribution process, less than half of the responses (22 percent) could be analyzed to find information about this process. The finding that emerged from the analysis is that the relationships between the attributions of stability and a firm’s responsibility for other-customer failure might be moderated by attributions of globality, that is, the extent to which respondents considered the cause of other-customer failure to be widespread across different service organizations rather than specific to one firm.

It is important to note the conceptual distinction between stability and globality attributions. A stability attribution is an inference about the recurrence of a failure; a globality attribution is the extent to which the cause of an event is believed to be generalized in different settings, as opposed to being situation-specific (Abramson et al., 1978). Research and specific examples have confirmed that the two are conceptually distinct (Anderson, 1983). In this study, for instance, one respondent stated that he was bothered by someone who smoked in the non-smoking area in a café, and in fact it was not the first time he had suffered this problem in the same shop (high in stability), but this unpleasant experience never happened in other cafés (low in globality). In another instance, one respondent described being disturbed by individuals who talked in overly loud voices in one fast-food restaurant (high in stability) but this kind of unpleasant experience also happened in other fast-food restaurants (high in globality). Although both examples were perceived as high in stability attributions, in the former instance the respondent assigned a high score to firm responsibility for other-customer failure while in the latter case the respondent assigned a low score to firm responsibility. It is likely that then, globality was an important factor that influenced the effect of stability attributions on a firm’s assumed responsibility for other-customer failure. Attributions of globality have been studied extensively in psychology (Bradbury and Fincham, 1990). However, empirical information about marketplace globality attributions has only recently been sought. More research is needed to develop a detailed understanding of how people make causal attributions when other-customer failure occurs. This study provides only a start.

Third, as proposed, when people attributed the firm with responsibility for other-customer misbehavior, they expected the firm and its employees to solve the problem and offer redress (e.g. an apology or discount) for their loss and bad feelings. However, contrary to the hypothesis, this recovery expectation did not seem to significantly affect customer satisfaction. This might be due to the fact that the participants in this study perceived that the service provider was not the direct cause of the failure. Therefore, even
though they wanted the firm to redress them for their bad experiences, they did not actually evaluate their satisfaction based on this recovery expectation.

In addition, this study did not find any support for the hypothesis that severity of the other-customer failure was related to customer’s recovery expectation. The rejection of this hypothesis might be due to the way respondents were instructed – this study asked for “a specific bad consumption experience,” namely one that was severe enough to be recalled after the incident. Less significant ones might have been forgotten a long time ago. If this study asked for a range of mid- to severe failures, there might be an impact on recovery expectations. Future research using multiple methods to explore the same question might permit further insights. Nevertheless, the severity of other-customer failure was found to have a negative influence on the customer’s evaluation of satisfaction toward the firm. That is, the higher the level of severity caused by another customer, the lower the level of customer satisfaction.

Finally, it was found that the customer’s evaluation of the service was affected by how employees reacted to situations when other customers behaved in an unacceptable manner. Even though the firm and their service employees might view the behavior of the other-customer as uncontrollable, customers consider a firm’s management of their guests and their guest’s behavior to be an important component of the service process, affecting their satisfaction evaluations (Bitner, 1990; Moore et al., 2005). The employees could, for example, take action to quiet a noisy hotel guest, or ask a restaurant patron who smoked in a non-smoking area to stop. Put differently, a customer’s evaluation of the service will not only be affected by other customer’s misbehavior but also by how employees react to situations when other customers are unruly or potentially disruptive (Bitner et al., 1990). The findings again provide strong evidence that interpersonal relationships (both with employees and with other customers) are a critical aspect in determining customer satisfaction.

To sum up, in this study I examine the important of the as yet under-researched role of other-customer failure in the service setting. The results are important to both theorists and practitioners, as they give a clear indication as to how and why the other-customer’s dysfunctional behavior influences customer satisfaction toward the firm. These findings have not been studied previously, because in much of that work, the focus was on the negative effect of customer interaction on consumer’s service experience, or the antecedents and classifications of dysfunctional customers (Bitner et al., 1994; Grove and Fisk, 1997; Harris and Reynolds, 2003; Martin, 1996). The primary contribution of this study to the service marketing literature is to provide empirical results that shed some light on the customer’s psychological processes in response to other-customer failure in a service setting. Based on these findings, researchers can realize why other-customer misbehavior decreases the customer’s service satisfaction toward the firm, how responsibility for other-customer misbehavior comes to be attributed to the firm, and how this assumed responsibility, recovery expectation, severity of other-customer failure, and perceived employee effort contribute to the evaluation process underlying customer dissatisfaction. With a better understanding of how and why other-customer failure destroys customer satisfaction, managers and front-line employees can build better recovery strategies and engage in “compatibility management” to increase the likelihood of instilling the appropriate customer behavior and improve interpersonal relationships for a specific service firm (Martin and Pranter, 1989).
Managerial implications

The presence of other-customers has been recognized as a key component in service satisfaction/dissatisfaction. Although firms may view the negative behavior of other-customers as uncontrollable, based on the findings of the present study, in situations where these failures are perceived as being controllable or preventable by the service firm, people perceive the firm as being responsible for other-customer misbehavior. This responsibility attribution leads to higher recovery expectation and lower customer satisfaction. Thus, marketers must acknowledge that the customer is not always right, nor will she/he always behave in acceptable ways. In other words, marketers may sometimes need to act as “police officers” to ensure that all their customers behave appropriately (Lovelock, 1996).

Since evaluation of service is affected by how employees react to situations where other-customers are unruly or potentially disruptive, providing employees with the appropriate coping and problem-solving skills for working with problem customers is a key issue for service providers (Bitner et al., 1994). With the appropriate training, employees can subtly communicate more suitable behaviors to problem customers. For example, employees might politely say “Please do not break into the line, sir. We will handle your bill as quickly as possible.” More importantly, employees should be trained to help the affected customers, to alleviate any bad feelings caused by the other-customer’s misbehavior. 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. When a customer believes that the employee did indeed do everything possible to solve the problem, their reaction to other-customer failure will be much less negative.

Moreover, this study believes that efforts to manage other-customer failures should focus on prevention. Several services researchers (Martin and Pranter, 1989; Tax et al., 2006; Wirtz and Kum, 2004) have offered specific courses of action that firms may take to prevent other-customer failures:

- blacklisting customers who routinely misbehave;
- identifying root causes of negative customer-to-customer interaction; and
- establishing preventive solutions.

For example, a restaurant can seat families with young children in a separate area so that other customers will not be disturbed by the noise of children yelling.

Limitations and future research

The use of retrospective experience sampling may be a limitation, because actual consumer information processing may differ from the recollection process. Moreover, the use of retrospective experience sampling may have inflated the explained variance in this study due to self-generated validity (Feldman and Lynch, 1988). Despite a potential bias in recall, this method is still a good choice, because in real life, human decisions are often memory-based. It is the memory that provides the basis for many behavioral responses. Customers are more likely to relate to memories of prior experiences than to the actual experience itself (Bougie et al., 2003). Furthermore, retrospective experience sampling allows for the collection of data that covers a wide variety of other-customer failures (e.g. talking too loudly, breaking in line, crowding, and so on) in a structured way, which adds to the external validity of the results.
For these reasons, retrospective experience sampling has been successfully applied in basic and applied service research. Still, an experimental study with a more sophisticated assessment of all independent variables, that could overcome these possible limitations, could be a topic of future research, especially for variables (e.g. stability attributions and failure severity) that were not supported in the present study.

In addition, future research could be done to focus on investigating one specific example of other-customer dysfunctional behavior and further explore customer satisfaction or behavior reactions to that misbehavior in different service settings. For example, the degree of crowding can be taken into account: a small crowd is easier to control than a big one. Crowding, in particular, represents one of the important environmental factors influencing customers’ retail experience (Hui and Bateson, 1991; Pons et al., 2006). If other customers are rude and noisy, but the crowd is small, then customers may feel that the management is more at fault, in turn leading to customer dissatisfaction.

Finally, prior research has shown that the customer’s allocentric-idiocentric orientation affects the attribution process in an unsuccessful service encounter (Cowley, 2005). Idiocentric customers are more likely than allocentric customers to make dispositional inferences than situational inferences in the attribution process (Duff and Newman, 1997). Future research could be done to examine how the customer’s personality traits influence the attribution process during observation of other-customer failure. This would help service providers in two ways. First, they would better understand why some customers are more likely to attribute other-customer misbehavior to the service provider than to either the misbehaving customer or the situational constraints, and that these attributions may influence the affected customers’ expectations of service recovery. Second, by acknowledging the attribution bias, service providers may be able to deflect unjustified blame and better cope with the negative feelings associated with unwarranted culpability (Cowley, 2005).

References


**Corresponding author**

Wen-Hsien Huang can be contacted at: whh@dragon.nchu.edu.tw