



## The role of contingent self-esteem and trust in consumer satisfaction: Examining perceived control and fairness as predictors

Karthik Namasivayam<sup>a,1</sup>, Priyanko Guchait<sup>b,\*</sup>

<sup>a</sup> Velan Hotels Ltd., 41, Kangeyam Road, Tirupur 641 604, India

<sup>b</sup> Conrad N. Hilton College of Hotel and Restaurant Management, University of Houston, 229 C.N. Hilton Hotel & College, Houston, TX 77204-3028, United States

### ARTICLE INFO

#### Keywords:

Contingent self-esteem  
Trust  
Control  
Fairness  
Satisfaction

### ABSTRACT

The paper proposes contingent self-esteem (CSE) as an important mediator between service encounter attributes and consumers' satisfaction. The main thesis is that consumers' perceptions of control and fairness in the exchange influence their CSE and trust evaluations which in turn effect their satisfaction evaluations. The study expands and clarifies our understanding of the psychological processes that guide consumers' satisfaction evaluations. The paper employed a  $2 \times 2$  repeated measures experiment to collect data. The experimental manipulations were induced using video clips and the data were analyzed using a repeated measures MANOVA procedure. Results indicate that consumers' CSE and trust evaluations depend on their perceptions of fairness and control of the exchange. Furthermore, CSE and trust influence consumers' satisfaction evaluations and behavioral intentions. The results of this research suggest that service providers should consider designing service interactions that affirm consumers' self-image and thereby improves satisfaction evaluations.

© 2012 Elsevier Ltd. All rights reserved.

### 1. Introduction

A key difference between services and manufacturing is that a service product is manufactured and consumed simultaneously and requires interaction between service provider and consumer (Gronroos, 2008). As elaborated in the next section consumers idiosyncratically create value in service interactions to satisfy unique needs (Gronroos, 2008; Lusch et al., 2008; Chung-Herrera, 2007). Consumers' reactions to a service interaction depend on their ability to generate their desired value 'package' and points to the role of psychological processes underpinning consumers' evaluations of everyday service interactions. Attention to such processes surfaces various candidate variables: for example, perceptions of control of the exchange (Hui and Bateson, 1991; Van Raaij and Pruyn, 1998; Noone, 2008), the fairness of the exchange (Seiders and Berry, 1998; Namkung and Jang, 2009), and consumer's interpretations and reactions to interpersonal components of the service exchange.

In a service exchange, *coproduction* is critical and it emphasizes and focuses research and managerial attention on the involvement of customers in the production of a service, thereby directing attention to the customer's role in the service exchange (Namasivayam,

2004). Customer participation is mandatory in a service exchange as both customers and service providers jointly specify and produce the service (Namasivayam and Hinkin, 2003). Recent research has noted that customers are the producers of the service and service providers merely assist customers by providing the service components required to develop the desired service product (Namasivayam, 2004). Therefore, during service encounters (or production process) customers desire more control over the specification of the service product they desire (Van Raaij and Pruyn, 1998) (e.g., having their burgers well done vs. rare). However, customers most often do not have direct control of the specification of a service (e.g., cannot make their own burgers in the restaurant kitchen). In the absence of direct control, service provider's fair behaviors restore customers' control perceptions (Namasivayam, 2004) (e.g., paying attention to customers' requests). Empirical research has clearly demonstrated the link between perceived control and fairness in predicting customer satisfaction and behavioral intentions (Hui and Bateson, 1991; Faranda, 2001).

#### 1.1. The present study

This study models, very specifically, the service encounter, or the bounded interaction between a service consumer and a service provider. Such encounters are considered everyday events and can occur in any service establishment including a restaurant, a bank, or a travel agency. The specific contributions of the current work are threefold. First, uniquely in this paper, consumers'

\* Corresponding author. Tel.: +1 713 743 2433.

E-mail addresses: [karthiknamas@yahoo.com](mailto:karthiknamas@yahoo.com) (K. Namasivayam), [pguchait@uh.edu](mailto:pguchait@uh.edu) (P. Guchait).

<sup>1</sup> Tel.: +91 421 431 1111; fax: +91 421 242 4434; mobile: +91 94437 21111.

contingent self-esteem (CSE) or self-worth evaluation is identified as an important mediating variable influencing their satisfaction with a service and consequent behavioral intentions. Extant literatures have noted that perceptions of control and fairness are important (Namasivayam, 2004); however, it is not clear why this is important. What effect does control of the exchange have on the individual? Why and how does the fairness of the service interaction influence the individual? What are the psychological pathways through which such perceptions lead to consumers' evaluations? In this paper, it is suggested that one target construct that such service characteristics (namely, perceptions of control and fairness) influence is individuals' CSE which in turn has an effect on consumers' satisfaction evaluations. Research notes that achieving an objective or meeting a self-imposed standard influences individuals' CSE (Patrick et al., 2004) and has important consequences to their satisfaction and consequent behavioral responses (Crocker et al., 2003). In this paper, we propose that in a service setting the ability of the individual to achieve an objective (i.e., a quality service product) influences feelings of self-esteem (or equivalently, self-worth) and has important consequences for consumers' satisfaction evaluations. It is, therefore, important to model and examine the mechanisms that influence consumers' CSE and its relationship with satisfaction with the exchange. Thus, the first contribution of the paper is to examine different antecedents and consequences of CSE which helps to better place the CSE construct in the nomological network. The current work integrates the service management literature with literature on self-esteem. For the first time (to our knowledge) the CSE construct is being studied in a service exchange context, adding value to the service management literature. The relationships will help service providers and researchers better understand the process that customers use to evaluate service exchanges.

The second contribution of the study is to examine perceived control and fairness as predictors of consumers' CSE. As proposed earlier, consumers' CSE in service interactions is based on whether they have been able to achieve their objective and create their desired value 'package.' Extending previous literature, it is suggested in this paper that perceptions of control and, in its absence, fairness in the service interaction function as indicators of consumers' CSE (Hui and Bateson, 1991; Van Raaij and Pruyn, 1998; Seiders and Berry, 1998; Namasivayam and Hinkin, 2003). An absence or lower levels of fairness or control in a service interaction have a negative impact on consumers' CSE. Self-esteem researchers have been studying predictors of self-esteem over 30 years and the interest is still growing (Crocker and Park, 2004). The current work contributes to the self-esteem research by examining perceived control and fairness as predictors of CSE.

The third contribution of the current work is to study trust in a service encounter context. Chung-Herrera (2007) notes that trust is an important consumer need. Guek (1999) suggests that trust is more important to consumers who are in a 'relationship' with service providers compared to those who are engaged in a single encounter or transaction with the service provider. Scholars have also linked trust with customer retention (Ranaweera and Prabhu, 2003). However, service relationships begin with service encounters. This paper recognizes the value of trust in service encounters and models how trust influences customer evaluation of a service exchange. In this paper, the antecedents of trust in a service transaction are modeled and it is suggested that trust in the service provider and CSE together have an effect on consumers' satisfaction evaluations. Following, Meyerson et al. (1996) a specific form of trust termed 'swift trust' is modeled as operative in the service environment; such trust is said to depend largely on contingent role expectations. It is proposed that control and fairness perceptions separately influence consumers' trust in the service provider.

Together with trust perceptions, consumers' CSE influences their satisfaction evaluations and behavioral intentions.

The current work integrates various independent research streams (self-esteem, trust, control, fairness, and service encounters) and presents a theoretical framework explaining the psychological processes that customers use to evaluate service exchanges. Specifically, the paper examines how customer perceptions of control and fairness, influence consumer self-esteem and trust, which consequently impacts customers' satisfaction levels and behavioral intentions. The paper is organized as follows: first, appropriate literature is reviewed and hypotheses developed with an emphasis on the interaction between consumer and service provider. Next, the results are discussed. The paper concludes with the implications and limitations of the study.

## 2. Literature review

Recent research moves away from the extant, and dominant, position in services management that the service provider is the "manufacturer" or producer of a service for consumption by a consumer (Gronroos, 2000, 2008; Vargo and Lusch, 2004). For example, Gronroos (2008) notes that service organizations can only function as value facilitators and not primary value creators. That is, consumers create value for themselves based on their unique and idiosyncratic needs by drawing on the services of the organization (Lusch et al., 2008). This conceptualization extends current literatures describing consumers as partial or transient employees (Lengnick-Hall, 1996; Namasivayam, 2003; Yen et al., 2004) to suggest that consumers have a larger role in the interaction.

Implicit is the notion that since consumers have idiosyncratic needs and definitions of value, they seek control of specifying and manufacturing their own product and the service provider's role is to facilitate consumers' value creation processes (Van Raaij and Pruyn, 1998; Lengnick-Hall, 1996; Namasivayam, 2003). Consumers obtain value in a service exchange by creating desired service 'bundles' in which they include elements from two broad component categories: tangible and intangible (Reeves and Bednar, 1995).

### 2.1. Tangible and intangible service components

Service providers, responding to market imperatives, offer similar tangible components – for example, CT scans, non-smoking rooms, or hot-stone massages. Consumers are knowledgeable about what tangible components they can expect and their estimations of value in the service exchange with reference to such components depend on a relatively straightforward calculus: the availability of such components for inclusion in their desired service product. Intangible components such as the courtesy of the masseur, expertise of the physician or nutritionist, and whether the hotel has quoted a fair price (Namasivayam and Hinkin, 2003; Reeves and Bednar, 1995) have more complex effects on consumers' value estimations.

Reading from some literatures (for example Rafaeli and Sutton, 1987; Namasivayam, 2004), intangible components such as a smile are considered similar to tangibles by consumers – their presence or absence detracts or contributes to the value of their service product. Ethologists, on the other hand, suggest nonverbal behaviors (intangibles) are important as relational communications indicating "how a person regards his or her relationship with another individual" (Simpson et al., 1993, p. 435). For example, smiling (similar to other cues such as extended eye contact, open body posture, and leaning forward) indicates trustworthiness, relationship quality, friendliness, or a willingness to assist. In this paper, the function of intangibles as tangible components is assumed and

Download English Version:

<https://daneshyari.com/en/article/1009598>

Download Persian Version:

<https://daneshyari.com/article/1009598>

[Daneshyari.com](https://daneshyari.com)