



Successful loyalty in e-complaints: FsQCA and structural equation modeling analyses☆



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ABSTRACT

This study analyzes antecedents of customer loyalty following complaint behavior in business-to-consumer (B2C) e-commerce. The study uses structural equation modeling (SEM) and fuzzy-set qualitative comparative analysis (fsQCA) to test relationships among distributive, interactional, and procedural justice, positive and negative emotions, satisfaction with service recovery, and trust. Justification for the use of both methods lies in the complementarity and interdependent relationships that exist between the variables. The sample comprises 303 e-commerce users who lodge complaints after making online purchases. Results highlight the importance of procedural and interactional justice, positive emotions, and satisfaction with service recovery.

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1. Introduction

An increasing number of consumers shift their buying activities from physical stores to retail websites. The reasons for this change are lower prices, more convenience and time savings, and a wider selection of products and services available on websites (Brunner et al., 2014). In Europe, 565 million people already use the Internet (79% of the population), and 47% make online purchases (Ecommerce Europe, 2014). The percentage of Internet users who purchase online is growing every day. Thus, business-to-consumer (B2C) e-commerce is a flourishing business that allows stores to reach a wider public. Nevertheless, despite numerous advantages of online shopping, achieving a successful formula for e-commerce is difficult.

Despite B2C e-commerce firms' efforts to offer high-quality services, providing a failure-free service seems almost impossible. Service failures can cause dissatisfaction among customers, which may lead to customer complaints and a loss of loyalty in future purchases. To avoid such problems, firms act to rectify service failures through the process of service recovery. Depending on how firms handle service recovery, results may vary massively: from losing an angry customer to retaining a satisfied, relieved one, who may still be willing to purchase again in the future.

This research focuses on the following factors: distributive, procedural, and interactional justice, positive and negative emotions, satisfaction

with service recovery, and trust. The study addresses two research questions. First, what factors should firms apply to ensure customer loyalty following a complaint? Second, does the combination of these factors should be study, in a better approach, using fuzzy-set qualitative comparative analysis (fsQCA)?

Section 2 of the article describes antecedents of loyalty through a review of the literature on complaint behavior and presents the hypotheses. Section 3 describes the sample, analyzes measurement scales' validity and structural model using traditional structural equation modeling (SEM) and fsQCA, and presents the results with both statistical methods. Finally, section 4 discusses conclusions, managerial implications, and research limitations.

2. Antecedent factors of loyalty in complaint behavior

2.1. Justice as an antecedent of emotions, satisfaction with service recovery, trust, and loyalty

Adams' theory of perceived justice (Adams, 1963) is a highly effective tool to study individuals' reactions when engaging in complaint behavior (Río-Lanza et al., 2009). Distributive justice consists of the tangible resources the company devotes to correcting and compensating for a service failure, including financial compensation, exchanging the item or service, and discounts for future purchases (Mattila, 2001). Procedural justice refers to the processes and methods necessary to address service recovery (Mattila, 2001), including the choice of the most suitable process to solve a problem (Kim et al., 2009). This concept covers aspects such as resolution time, control procedures, and

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execution policies (Maxham & Netemeyer, 2002) to adapt to customers' needs. Interactional justice refers to how customers experience justice in their interaction with the employees of the firm during the service recovery process (Sparks & McColl-Kennedy, 1998). Several authors analyze the relationship between justice and emotions.

Río-Lanza et al., (2009) report that distributive and interactional forms of justice do not exert significant influences on negative emotions. DeWitt et al., (2008) study the influence of perceived justice (without differentiating between components of justice) on positive and negative emotions, observing a greater influence on positive emotions than on negative emotions. Chebat and Slusarczyk (2005) analyze the effect of justice dimensions on emotions. The authors report that all three dimensions of perceived justice affect negative emotions significantly, and that interactional justice and distributive justice affect positive emotions. Distributive justice has a greater effect on positive emotions than on negative emotions. Schoefer and Ennew (2005) find that all three dimensions of justice have significant effects.

McColl-Kennedy and Sparks (2003) emphasize the importance of interactional justice in emotions. These authors also state that poor treatment by the employee can cause negative emotions on the customer, weakening the effects of adequate justice efforts. Procedural justice is a basic requirement because customers expect service providers to have the procedures and speed to correct service failures. In this regard, low levels of procedural justice elicit negative emotions (Schoefer & Ennew, 2005).

A considerable number of studies deal with justice and satisfaction with service recovery (Karatepe, 2006; Maxham & Netemeyer, 2002; Schoefer & Ennew, 2005), and some show that procedural justice has a positive effect on customer satisfaction in service recovery (Homburg & Fürst, 2005; Karatepe, 2006; Ok et al., 2005; Schoefer & Ennew, 2005). Satisfaction with service recovery is the feeling of affection toward a company resulting from the handling of an interaction complaint (Davidow, 2003).

Other empirical studies show that interactional justice contributes to satisfaction after a complaint (McCollough et al., 2000). Río-Lanza et al., (2009) find a positive relationship between interactional justice and satisfaction with service recovery. Interactional justice is important because of its intrinsic value (treating someone with respect and politeness) and its role as a signal to the customer about how the company behaves (Chiu et al., 2010).

Beliefs about a firm's benevolence, competence, and integrity constitute the concept of trust (Doney & Cannon, 1997). The majority of unhappy customers do not complain, but those who do expect a just response from the organization. Not receiving such a response, or receiving an inadequate response, causes the customer to lose trust in the organization (DeWitt et al., 2008). Trust develops over time if the customer feels that the service provider behaves honestly and fairly (Morgan & Hunt, 1994). Trust is essential to satisfying e-commerce customers (Ratnasingham, 1998).

Findings regarding the influence of different types of justice on behaviors such as loyalty, however, are inconclusive (Wang et al., 2011). Effective measures of service recovery can strengthen the customer's trust in the quality of products or services, and develop customer loyalty. Other research suggests that service recovery efforts to remedy service failures are crucial to maintaining relations with existing customers (Ha & Jang, 2009). Loyalty refers to continuity in the purchasing relationship between a customer and a company (Keller, 1993). Loyalty implies that the customer abstains from changing firm, even if he or she must pay more for the service (Shankar et al., 2003). Numerous authors study the effect of justice in customer retention (Chebat & Slusarczyk, 2005; McCollough et al., 2000; Wang et al., 2011).

According to these premises, the study tests the following hypotheses:

- H1.** Justice has negative influence in negative emotions.
- H2.** Justice has a positive influence on positive emotions.

- H3.** Justice has a positive effect on satisfaction with service recovery.
- H4.** Justice has a positive effect on trust.
- H5.** Justice positively affects customers' loyalty.

2.2. Emotions as antecedents of trust, loyalty, and satisfaction with service recovery

Although research into the influence of emotions on service recovery are scarce (Río-Lanza et al., 2009), some authors report the influence of emotional factors following a complaint (Menon & Dubé, 2004; Schoefer & Ennew, 2005; Smith & Bolton, 2002). The following describes very briefly the relationships studied in the literature between emotions and trust, loyalty, and satisfaction with service recovery.

In this context, whereas Schoefer and Ennew (2005) suggest that perceived justice has a relationship (through emotions) with customer satisfaction, Westbrook (1987) highlights how positive and negative emotions significantly influence customer satisfaction, explaining almost as much variance as other cognitive variables.

Researchers explore the influence of some emotions on trust in service recovery contexts (Kim et al., 2004). Highly negative emotions (e.g., anger) can play a significant moderating role in these processes, and can damage trust. Action to mitigate these types of emotions is likely to contribute to regaining trust (Kim et al., 2004). In addition, emotions play an important role in building trust and positive emotions, enabling individuals to make the leap of faith from feelings to beliefs (Andersen & Kumar, 2006). Wicks et al., (1999) indicate that positive emotions are an indispensable condition for building trust. Findings show that emotions can cause more stable and deeper levels of trust than feelings that stem purely from rational sources (Williams, 2001).

Customers' emotions stemming from perceived justice affect loyalty (DeWitt et al., 2008). Successful service recovery causes an individual to remain loyal to the provider. Conversely, if negative emotions arise, then the customer may become disloyal or may unsubscribe from the service (DeWitt et al., 2008). Affect control theory (ACT) addresses the influence of emotions on loyalty. When customers experience inadequate service recovery, those customers express their emotions and act to regain their own identity (Chebat & Slusarczyk, 2005).

According to these premises, this study tests the following hypotheses: negative emotions have a negative influence on satisfaction with service recovery (H6), trust (H7), and loyalty (H8). Positive emotions have a positive influence on satisfaction with service recovery (H9), trust (H10), and loyalty (H11).

2.3. Satisfaction with service recovery as an antecedent of trust and loyalty

Finally, studies in scientific literature report connections among satisfaction with service recovery, trust, and loyalty. In service recovery, customer trust reflects how willing customers are to embrace their vulnerability and expect a positive solution after experiencing service failure (Dunn & Schweitzer, 2005). When customers receive unsatisfactory responses to complaints, those customers lose trust in their service provider (DeWitt et al., 2008); likewise, satisfactory resolution of complaints may increase customers' trust in the provider. Trust develops over time if the customer perceives the provider is reliable, and behaves fairly and honestly (Morgan & Hunt, 1994). Trust is essential for creating satisfied, loyal customers in e-commerce (Ratnasingham, 1998).

The literature reports links between customers' loyalty and their levels of satisfaction. Nevertheless, the literature reveals a lack of consensus on satisfaction's effect on loyalty. Although a relationship exists between satisfaction and loyalty, satisfaction explains around 8% of the variance in loyalty, with this figure improving with the inclusion of a greater number of moderating and mediating variables. Whereas some studies report a linear relationship between satisfaction and loyalty, others indicate that the relation is non-linear and asymmetric, with

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