



The effects of social justice and stigma-consciousness on gay customers' service recovery evaluation



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ABSTRACT

This study examines how social justice and the stigma-consciousness level of gay customers influence their service recovery perceptions. The results, based on an experiment involving 379 gay respondents, indicate that distributive justice, procedural justice, and interactional justice significantly affect gay customers' service recovery evaluations (satisfaction) and post-complaint behavioral intentions (negative word-of-mouth and repatronage). Also, higher stigma-consciousness gay customers show more negative service recovery evaluations and behavioral intentions than those with lower stigma-consciousness. Service providers who are interested in attracting and maintaining gay customers should create awareness among their employees about stigma-consciousness.

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1. Introduction

Same-sex marriage expansion and other gay rights' movements over the past decade contribute to an increase in the visible gay and lesbian households, and expand the market for consumer goods and services (MarketResearch.com, 2010). The U.S.'s gay, lesbian, bisexual, and transgender community has an estimated \$790 billion in buying power (WiteckCommunications, 2012), and their economic contribution to the travel industry is over \$65 billion per year (CommunityMarketing, 2011). Even though gay consumers are a growing market segment, academic research on them remains relatively sparse (Burnett, 2000; Delozier & Rodrigue, 1996). Prior research examines gay consumers' attitudes and behaviors (e.g., Kates, 2002; 2004; Um, 2012); however, few studies address gay customers' perceptions of service encounters involving social interactions.

Service encounters are the "critical moments of truth" in which customers often develop indelible impressions of service organizations (Zeithaml & Bitner, 2000). Particularly, service failure and recovery encounters are critical interactions directly reflecting the service level from the customer's point of view and providing a valuable opportunity for firms to retain the customers (Bitner, Booms, & Tetreault, 1990; Smith, Bolton, & Wagner, 1999; Tax, Brown, & Chandrashekaran, 1998).

Justice theory is the dominant theoretical framework explaining service recovery (McColl-Kennedy & Sparks, 2003). According to the justice theory, customers evaluate the fairness of service recovery along three factors: outcome, procedural, and interactional fairness (Blodgett, Hill, & Tax, 1997; Wirtz & Mattila, 2004).

In a social setting, targets of stereotypes, prejudice, and discrimination always seem to be "out there" (Pinel, 1999). Unfortunately, gays, like other minorities, learn to anticipate negative regard from members of the dominant culture (Meyer, 1995). In a consumption situation, consumers function in an active self-awareness state and they become more sensitive to their group memberships (Stayman & Deshpande, 1989). Targets of stereotypes recognize that their group membership plays a role in how people interact with them (Pinel, 1999). This study purports gay customers' level of stigma-consciousness, the extent to which they expect to be stereotyped in a social setting, likely affects how they perceive service encounters. How does distributive, interactional, and procedural justice affect gay customers' evaluation of service recovery and post-complaint behavioral intentions? Does the stigma-consciousness level influence gay customers' service recovery evaluation and post-complaint behavioral intentions?

Services marketing and social psychology literatures inform this research. Study results advance the understanding of gay customers in at least two ways. First, this study adds to the service recovery literature and increases an overall understanding of gay customer behavior. Second, this study incorporates different levels of gay customers' self-views in a social exchange context. Stereotypical views about gay people do not uniformly reflect their perceived status in a social exchange setting. More broadly, study findings inform researchers who are investigating minority customers' social justice perceptions in the marketplace.

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2. Literature review

2.1. Gay consumers

According to Branchik (2002), the U.S. gay market consumer research evolves over three chronological periods: underground (pre-1941), community building (1941–1970), and mainstream (1970–present). During the mainstream period, companies show increasing social acceptance and more proactive advertisement through the mainstream media to reach the gay market. Also, gay consumers are more visible to marketers and show patronization for the brands specifically targeting gays (Branchik, 2002).

Noting the unique lifestyle and consumption behavior, many gay consumer studies refer to them as a distinct subculture (e.g., Fugate, 1993; Haslop, Hill, & Schmidt, 1998). Gay people express certain symbolic style values countering the dominant or mainstream culture, expressing a willingness to belong to the gay community, helping to recognize and detect other gay people, and creating a collective identity (Freitas, Kaiser, & Hammidi, 1996; Kates, 2002; Rosenbaum & Montoya, 2007; Rudd, 1996; Sender, 2001).

Existing gay and lesbian consumer research classifications cover five distinct areas. The first area describes characteristics of the gay and lesbian consumers and their spending patterns. Compared to their straight counterparts, the gay and lesbian segment consists of relatively well-educated and affluent consumers with considerable disposable income (Oakenfull, MacCarthy, & Greenlee, 2008) and a higher home ownership rate (Um, 2012). Also, gay consumers travel more, spend more money on clothing (Weeks, 1985), and place more importance on appearance in socialization and self-presentation (Rudd, 1996) than straight consumers.

A second research stream comes from advertising research. Recognizing gays and lesbians as a lucrative market segment, advertising studies discuss strategies to target gay and lesbian market without alienating other consumers (e.g., Grier & Brumbaugh, 1999; Tuten, 2005; Um, 2012). The third research theme is gay tourism and leisure activities (e.g., Coon, 2012; Hughes, 2002). For example, Clift and Forrest (1999) explore gay men's motivation for tourism activities. Other studies highlight the growing gay tourism market and the importance of travel and leisure activities for gays and lesbians (e.g., Pitts, 1999).

Fourth, consumption behavior studies examine gay lifestyle and subculture. For example, some researchers focus on gay shopping behavior (e.g., Peñaloza, 1996; Sha, Aung, Londerville, & Raleston, 2007). Other researchers suggest that gay consumers tend to be innovative and trendsetting (Vandecasteele & Geuens, 2009) and show high brand loyalty (Kates, 2004). Noting the symbolic nature of gay space, several studies explore gay servicescape (e.g., Haslop et al., 1998; Rosenbaum, 2005; Rosenbaum & Montoya, 2007). Finally, the fifth research stream includes studies that highlight issues of consumption discrimination. Gays and lesbians often confront inequity from employees and other customers in the marketplace (e.g., Jones, 1996; Walsh, 2009; Walters & Curran, 1996; Walters & Moore, 2002).

Past research generates insights regarding gay consumers' buying patterns and other related issues. Nevertheless, considerably less is known about their perceptions of service encounters. To bridge the gap, this study focuses on gay customers' service encounter evaluations by using justice theory to reflect the fairness in a service recovery context.

2.2. Fairness of recovery: justice theory

Customer complaint management literature shows that customers expect "fair" resolutions to product and service failures (e.g., Blodgett et al., 1997). Outcomes, procedural fairness, and interactional treatment affect customers' perceptions of service recovery fairness (McColl-Kennedy & Sparks, 2003; Smith et al., 1999; Tax et al., 1998).

Distributive justice reflects the outcome fairness and focuses on the compensation provided for the customers' loss and/or inconvenience

(Smith et al., 1999). Many service organizations offer various reparations, including refunds, credits, and discounts, to compensate dissatisfied customers. *Procedural justice* involves the process and policies affecting recovery effort decisions (Smith et al., 1999). The speed of correcting service failures or responding to complaints determines customer perceptions of procedural justice (Blodgett et al., 1997; Tax et al., 1998). *Interactional justice* refers to how the customer is treated during the recovery process (Smith et al., 1999). For example, employees' courtesy and empathy influence customers' overall service recovery perceptions (Tax et al., 1998).

Justice theory and previous research suggest that higher levels of distributive, procedural, and interactional justice lead to more favorable service recovery satisfaction and subsequent behavioral responses. Since previous research confirms the three justice dimensions' effects on service recovery (e.g., Blodgett et al., 1997; Smith et al., 1999; Tax et al., 1998; Wirtz & Mattila, 2004), stating specific hypotheses seems unnecessary. Distributive justice, procedural justice, and interactional justice likely increase gay customers' satisfaction and repatronage intentions, but decrease their negative word-of-mouth intentions.

2.3. Gay customers' interactions in a social setting

A differential customer treatment based on perceived group-level traits (e.g., age, gender, sexual orientation) commonly occurs during service encounters (Walsh, 2009). Anti-gay prejudice (i.e., heterosexism, homophobia) is an attitude absorbed implicitly and explicitly through the dominant cultural milieu (Walters & Moore, 2002). Experiences of heterosexism negatively affect the well-being of sexual minority individuals (Smith & Ingram, 2004) and lead them to feel insecure when interacting with other social groups (Weightman, 1981). Many self-identified homosexuals internalize the culturally dominant biases and express some level of self-derision or internalized homophobia (Stokes, Damon, & McKirnan, 1997).

Perceived stigma relates to the view that a person will be treated unfairly because of his or her sexual orientation (Meyer, 1995). Goffman (1963) notes that a stigmatized individual "may perceive, usually quite correctly, that whatever others profess, they do not really 'accept' him and are not ready to make contact with him on 'equal grounds' (p.7)." A high level of perceived stigma leads minority group members to maintain a high degree of vigilance — expectations of rejection, discrimination, and even violence during interactions with dominant group members (Meyer, 1995).

Stigma-consciousness reflects how much group members who are targets of stereotypes (e.g., gay) expect to be stereotyped by others (Pinel, 1999). People high in stigma-consciousness more likely perceive discrimination directed toward their group and toward them personally (Pinel, 1999). Yet, not all minority group members approach their stereotyped status to the same degree (Pinel, 1999), and the individuals' varying levels of stigma-consciousness lead them to react differently to the same situation (Brown & Pinel, 2003).

The current study posits gay individuals' self-views within the mainstream society may affect their service experience perceptions. Individual experiences of heterosexism in society lead gay people to form different levels of stigma-consciousness, which will influence their perceptions of social exchange services. Gay customers' service recovery evaluations will be affected by their stigma-consciousness level — to the extent they expect to be stereotyped. Prior research suggests that stigma produces negative consequences during social interactions (Major & O'Brien, 2005) and stigma-consciousness increases negative feelings of stereotype threat and responses (Brown & Pinel, 2003). Therefore, high stigma-consciousness leads to less favorable recovery evaluations and post-complaint behavioral intentions.

H1a. Gay customers with high stigma-consciousness show lower satisfaction than those with low stigma-consciousness.

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