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The effects of relationship quality on customer retaliation

Yany Grégoire · Robert J. Fisher

Abstract This research examines the effects of relationship quality (RQ) on customers' desires to retaliate after service failures. We posit that the effects of RQ are contingent upon the attributions customers make about the firm's controllability over a service failure. Two competing hypotheses are examined and reconciled. The "love is blind" hypothesis posits that when low controllability is inferred, high RQ customers experience a lesser desire for retaliation than low RQ customers. On the other hand, the "love becomes hate" hypothesis specifies that when high controllability is inferred, high RQ customers experience a greater desire for retaliation than low RQ customers. The hypotheses are tested with a survey-based design and a partial least squares (PLS) model that incorporates a multiplicative latent construct.

Keywords Retaliation · Relationship quality · Controllability · Service failure · SEM · PLS · Complaint behaviors

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Customers who have a strong relationship with a service provider or retailer represent a key asset for service firms (Dowling and Uncles, 1997; Rigby et al., 2002). Research suggests that strong relationship customers are more profitable because they shop more regularly (De Wulf et al., 2001), spend more per visit (De Wulf et al., 2001), are willing to pay a premium on the products and services they buy (Dowling and Uncles, 1997), and cost less to serve (Rigby et al., 2002). Although recent research has challenged the profitability of investing in

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strong customer relationships (Reinartz and Kumar, 2000), relationship building remains a priority for many service firms (Rigby et al., 2002).

Despite a growing interest in Customer Relationship Management (CRM), prior research has not examined the effects of relationship strength or quality when customers are confronted with service failures. Such an omission is surprising and calls for more attention from marketing and consumer researchers. Understanding how relationship affects the customers' responses to service failures is important because service failures have the potential to transform valuable customers into "enemies," a result that could have serious consequences for a firm's reputation and long-term profitability. This research focuses on the effects of relationship upon *customer retaliation*, which is defined as a customer's efforts to punish and make a service firm pay for the damages it has caused (cf. Skarlicki and Folger, 1997).

Two rival explanations exist as to the effects of relationship on retaliation: the "love is blind" versus the "love becomes hate" effects. The "love is blind" effect argues that customers with a strong relationship are more likely to forgive a service failure, and as a result they retaliate to a lesser extent than customers with a weak relationship. These customers are more reluctant to hurt a valued exchange partner or to terminate a meaningful relationship (cf. Lind and Tyler, 1988). On the other hand, the "love becomes hate" effect suggests that customers who possess a strong relationship tend to retaliate more vigorously than those with a weak relationship (Brockner et al., 1992). A service failure represents a sharper contrast with the expectations of strong relationship customers, and as result they see a service failure as an act of betrayal and engage more intensely in retaliation (cf. Robinson, 1996).

This research contributes to marketing knowledge by offering a framework that reconciles these two competing explanations and articulating the circumstances under which a relationship leads a customer to retaliate more or less vigorously against a service firm. We posit that the effect of a relationship on the desire for retaliation is contingent upon the attributions customers make about a firm's control over failures. Attributions about controllability are of special interest in this research because they are thought to increase the desire to hurt a firm after service failures (Folkes, 1984).

Understanding the moderating role of controllability on the effect of relationship on retaliation is important for both theoretical and managerial reasons. From a theoretical standpoint, controllability has the potential to reconcile two rival explanations about the effects of relationship on customers' responses to service failures. From a managerial perspective, the research provides insights into how firms' best customers are likely to respond to service failures.

In the balance of the article, the notion of relationship in a consumer setting is defined, and the effect of a relationship on a desire for retaliation is explained. The results of a survey based on a retrospective experience are then presented and discussed.

1. What is a relationship in a consumer setting?

Building on the work of Anderson and Narus (1991), a relationship in a consumer setting is broadly defined as a psychological connection that a consumer has with a firm, a brand, or an employee of a selling entity. Consistent with previous research in the service literature (e.g. Crosby et al., 1990; De Wulf et al., 2001), relationship quality (RQ) is employed to reflect the psychological connection that customers have with a retailer or service provider. The present research conceptualizes *RQ* as a higher-order that is reflected in trust, satisfaction, commitment, and identification. Initial work identifies trust and satisfaction as the key constructs

that capture the quality of a relationship (Crosby et al., 1990). The concept of *trust* reflects the degree to which customers are confident that a firm is dependable and can be relied on to serve them well (cf. Sirdeshmukh et al., 2002). *Relationship satisfaction* is defined as a customer's affective state resulting from the evaluation of all aspects of a relationship with a firm over time (De Wulf et al., 2001). *Commitment* is defined as a customer's enduring desire to maintain their relationship with the firm (De Wulf et al., 2001). Finally, *identification* is defined as the extent to which a customer uses his or her relationship with a service firm to satisfy important self-definitional needs, such as identity similarity (cf. Bhattacharya et al., 1995).

2. The effects of relationship quality on desire for retaliation

2.1. Defining retaliation

When customers are involved in a service failure, they perceive an imbalance in their relationship with the service firm, and they are motivated to restore this balance for economic and relational reasons. From an economic perspective, they expect to receive fair products or services for the money invested (cf. Thibaut and Walker, 1975). From a relational standpoint, customers expect to be treated with consideration and respect because they are valued by the firm (cf. Lind and Tyler, 1988).

After service failures, customers can restore balance in their relationship with the firm by demanding reparation or by retaliating. In a service setting, *reparation* is a positive mechanism that refers to anything a service firm provides to customers to compensate for a service failure and to redress their grievances. For instance, firms can redress a situation by exchanging a defective product, offering a discount or reimbursement, or providing an apology (cf. Folkes, 1984; Smith et al., 1999). The literature on service failures mainly focuses on reparation during the recovery process.

The current research focuses on retaliation, a negative approach to restoring balance in a relationship that has received little attention in the service literature. As noted previously, retaliation is defined as a customer's efforts to punish and make a service firm pay for the damages it has caused (cf. Aquino et al., 2001; Skarlicki and Folger, 1997). Consistent with this definition, a *desire to retaliate* is defined as a customers' felt need to punish and make a firm pay for what has happened. In contrast to reparation in which customers seek to improve their own situation, retaliation is motivated by customers' desire to "bring the firm down" in some fashion.

2.2. Two rival explanations: "Love is Blind" versus "Love Becomes Hate"

2.2.1. Love is blind

This first explanation argues that high RQ customers experience a lesser desire for retaliation than low RQ customers in service failure contexts. This effect finds support in the literatures on assimilation bias (Herr et al., 1983) and interpretation bias (cf. Ahluwalia, 2000). In an ambiguous situation, an assimilation bias leads customers to overlook or underweight information that is inconsistent with their positive priors because of their strong connection with the firm. Consequently, high RQ customers are less likely to feel inconvenienced by a service failure. After the information is assimilated, a similar interpretation bias also exists. In order to maintain consistency between their positive priors and the current perceptions

of being involved in a service failure, high RQ customers may reduce the weight and the spillover effects of the inconvenience associated with the misadventure. Because of these cognitive biases, high RQ customers are likely to experience a lesser desire for retaliation than low RQ customers.

In addition, high RQ customers may feel reluctant to hurt a valued exchange partner to whom they feel psychologically connected. The connections felt by high RQ customers are anchored in such important needs that they become reluctant to retaliate against the firm because doing so could have negative repercussions for their self esteem and self identity (Bhattacharya et al., 1995). For these customers, retaliating would require them to harm an entity that is fundamental to how they define themselves as a person.

2.2.2. Love becomes hate

This explanation suggests that high RQ customers experience a stronger desire for retaliation than low RQ customers in service failure contexts. Customers who have a high level of RQ possess higher expectations about the service they believe they deserve. Being involved in a service failure sharply contrasts with their expectations, and may result in more negative responses and a greater desire to retaliate (cf. Brockner et al., 1992). A similar contrast effect has been observed in the information processing literature when individuals face extreme exemplars that conflict with their positive priors (Herr et al., 1983).

In addition, high RQ customers are more likely than low RQ customers to feel betrayed by the firm after a service failure. Because high RQ customers have placed their confidence in a firm, a service failure may generate feelings of broken trust and therefore be viewed as an act of betrayal (cf. Robinson, 1996). Betrayal may be at the origin of an intense desire felt by customers to retaliate against a firm.

2.3. Reconciling the rival explanations: The contingency effect of a firm's controllability

We posit that the "love is blind" versus the "love becomes hate" effects are contingent upon the attributions made by customers about the firm's controllability of the service failure. Formally, attributions about a *firm's controllability* are defined as customers' judgments of the degree to which the firm had control over a service failure and can be blamed for its occurrence (cf. Folkes, 1984). When customers believe that a firm is responsible for a failure and that it could have prevented the negative consequences that result, they are likely to consider retaliation to be an appropriate response. The model guiding the overall research is presented in Figure 1.

Depending on the attributions made about a firm's controllability, we posit that high RQ customers experience a lesser or a greater desire for retaliation than do low RQ customers. The two components of hypothesis 1 are represented in Figure 2.

When customers perceive that a firm had little control over a failure, the "love is blind" effect explains the influence of RQ on a customer's desire for retaliation. Consistent with the rationale supporting this effect, high RQ customers, compared to low RQ customers, experience a lesser desire for retaliation for two reasons. First, their perceptions of high RQ bias the way they assimilate and interpret information related to the service failure. High RQ customers (compared to low RQ customers) overlook or reduce the effect of the inconvenience associated with an uncontrollable service failure. Second, retaliation seems contrary to maintaining a strong and positive psychological connection, especially when

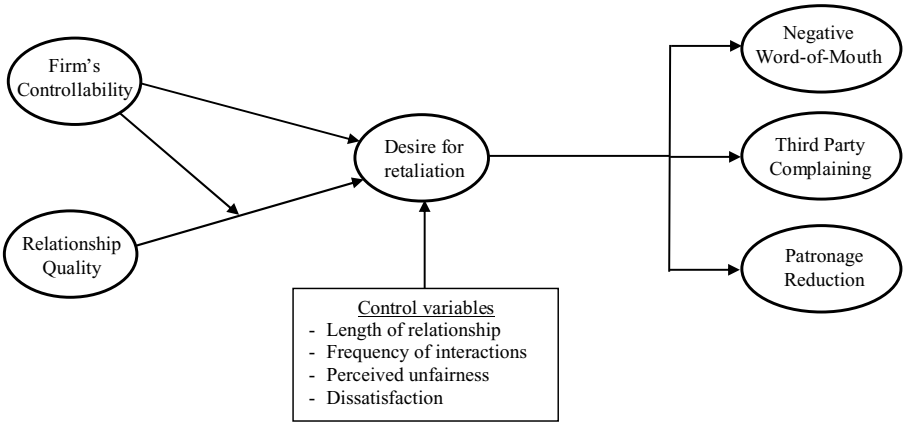


Fig. 1 The effects of RQ on desire for retaliation

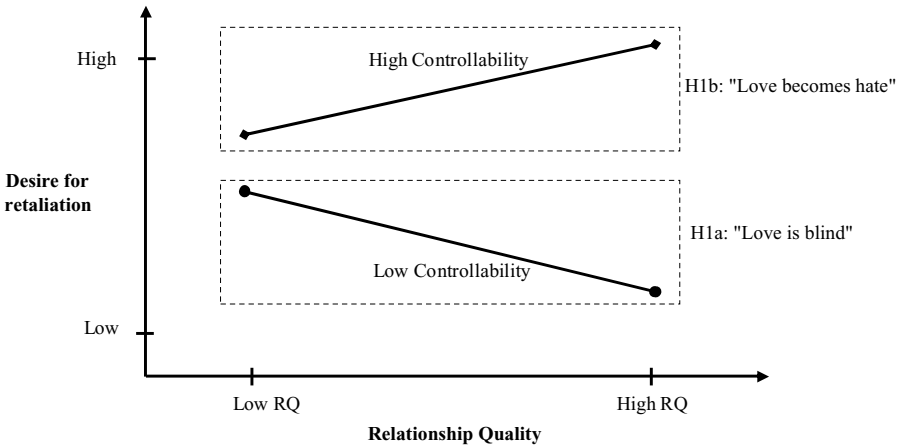


Fig. 2 The interaction effect of RQ and controllability on desire for retaliation (hypothesis)

the service failure is beyond the control of the firm. In this context, high RQ customers should experience a lesser desire for retaliation against a firm they trust and with which they strongly identify. Then:

H1a: When attributions of low controllability are made, high RQ customers experience a lesser desire for retaliation than low RQ customers (i.e., "love is blind" effect).

On the other hand, when customers infer that a firm had control over the service failure, the "love becomes hate" effect explains the effect of RQ on their desire to retaliate. Compared to low RQ customers, high RQ customers experience a greater desire for retaliation in this context for two reasons. First, high RQ customers have higher expectations about the service they believe they deserve, and therefore a controllable service failure more sharply

contrasts with their expectations. In addition, high RQ customers are more likely than low RQ customers to feel betrayed by the actions of a firm (cf. Robinson, 1996). Controllable service failures are likely to be viewed as grounds for retaliation because a deliberate act is a more significant breach of trust for customers who have a strong compared to weak relationship with the firm. Formally:

H1b: When attributions of high controllability are made, high-RQ customers experience a greater desire for retaliation than low-RQ customers (i.e., "love becomes hate" effect).

3. The effects of a desire for retaliation

Customers can satisfy their desire for retaliation by engaging in a variety of behaviors. In this section, we examine the effects of a desire for retaliation on complaint behaviors studied in the service failure literature (Singh, 1988): negative word-of-mouth, third-party complaining, and patronage reduction.

First, customers can indirectly retaliate by spreading negative word-of-mouth and by complaining to a third-party. *Negative word-of-mouth* is defined as a customer's efforts to share his or her negative experience with, and to denigrate a service firm to friends and family (cf. Singh, 1988). By sharing their negative experience with others, customers hope to tarnish the reputation of a firm, and to make others reconsider their relationship with it. *Third-party complaining* is defined as a customer's efforts to contact organizations, such as the media, consumer agencies, or legal institutions, which have the power to punish a firm and to force the resolution of a problem (Singh, 1988). By denouncing the firm's misbehaviors to a consumer agency or by taking legal action, customers hope that the firm will be punished and forced to repair its mistakes. In addition, customers hope to hurt the firm's business by reporting their negative experience to a wider audience.

Finally, customers can retaliate by removing the benefits that their future patronage would have generated. More specifically, *patronage reduction* is defined as a customer's efforts to reduce the frequency of his or her visits, spend less per visit, and to frequent competitors more intensively (De Wulf et al., 2001). Although the decision to reduce one's patronage can be motivated by reasons other than retaliation—for example, a customer can decide to avoid a firm because he or she does not want to repeat a negative experience—this behavior represents an accessible way to retaliate: Formally,

H2: A desire for retaliation leads customers to (a) engage in negative word-of-mouth, (b) complain to a third-party organization, and (c) reduce their patronage.

4. A study based on a retrospective experience

4.1. Design and respondents

Consistent with prior research on service failures (Singh, 1988; Tax et al., 1998) and influential work on retaliation in organizational psychology (Aquino et al., 2001) and social psychology (McCullough et al., 1998), we conducted a field study based on respondents' retrospective experiences. This methodology is used because service failures are memorable events that can be easily recalled by customers. Further, research demonstrates that respondents have the

ability, given an appropriate set of instructions, to accurately recall the thoughts and feelings of a past experience and the nature of a relationship (Tax et al., 2003). This approach is in contrast to scenario-based experiments in which it may be difficult to simulate the same emotional and cognitive involvement that is generated by actual service failures, and to create a real relationship between a customer and a service firm.

Respondents were asked to report an experience with a retailer or a service provider in which they "felt, at the end of the day, dissatisfied and inadequately treated." This experience was also referred as "a situation in which a service provider or retailer totally failed to serve you adequately, and if you complained, failed to redress the situation to your entire satisfaction." Given that ninety-four percent of respondents complained to the organization and remained dissatisfied after the service recovery effort, the vast majority of respondents experienced failures at both the service delivery and recovery stages (i.e., most respondents experienced two distinct service failures). Overall, 105 MBA students completed the questionnaire, from which four respondents were eliminated because of missing data. On average, the incident reported by respondents happened 11.5 months before the survey was administered. Through their whole experience, respondents interacted with an average of 3.4 employees from the service firm. Respondents reported failures with retailers and service providers from 34 different industries. Sixty-six percent of the respondents were male, 59% were aged between "22–29," and 39% between "30–39."

4.2. Measures

Unless otherwise indicated, all the constructs were measured with multi-item Likert scales (scale end points: 1 = strongly disagree to 7 = strongly agree). The items and detailed psychometric properties for scales measuring the key constructs are included in the Appendix.

RQ is conceptualized as a reflective second-order construct based on commitment, trust, satisfaction, and identification. The first-order constructs were measured using established scales. Commitment was reflected in three items such as "This relationship was something I was very committed to" (De Wulf et al., 2001).Trust was measured with four semantic differential items including "I felt the organization was very undependable (versus dependable)" (Sirdeshmukh et al., 2002). Relationship satisfaction was reflected in three items developed by De Wulf et al. (2001) that included "I was satisfied with the relationship I had with the organization." Finally, identification was measured with five items adapted from Bhattacharya et al. (1995) such as "If someone would have praised the organization, it would have felt like a personal compliment."

We performed an exploratory factor analysis to insure that each relationship quality item strongly loaded on its respective construct. The detailed results of this analysis are reported in Appendix. Then, the items corresponding to the first-order constructs were summated, and the construct scores were used as items for relationship quality (cf. Crosby et al., 1990; De Wulf et al., 2001).

Attributions about the firm's controllability were measured with a three-item scale developed by Maxham and Netemeyer (2002). This scale was based on semantic differential items such as "The service failure was not at all (versus completely) the organization's fault."

A six-item desire for retaliation scale was developed based on Aquino, Tripp and Bies' scale on revenge (2001). To measure this construct, the scale included items such as "I wanted to punish the organization in some way."

Complaint behaviors (i.e., negative word-of-mouth, third party complaining, and patronage reduction,) were all measured with established scales. Negative word-of-mouth was measured with three items such as "I spread negative word-of-mouth" (cf. Maxham and

Netemeyer, 2002), whereas patronage was reflected in a four-item scale including "I reduced my frequency of interaction with the firm" (De Wulf et al., 2001). Third party complaining was conceptualized as a formative construct because customers can undertake only one or multiple strategies (Bollen and Lennox, 1991). For example, third party complaining might be undertaken by only legal action, or a combination of legal actions, a media press release, and a letter to a consumer protection organization (Singh, 1988). Consequently, the individual items are not expected to be correlated and coefficient alpha is inappropriate (Bollen and Lennox, 1991). The construct was formed by (instead of being reflected in) three items including "I took legal action against the firm" in our analytical procedure.

We control for the effects of four variables on a desire for retaliation. First, we control for the variance explained by two behavioral aspects of a relationship: relationship length in months ($M = 97.95$; $SD = 87.52$) and frequency of interactions per year ($M = 3.29$; $SD = 1.37$). Given the focus of this research, it becomes important to control for a behavioral view of a relationship, which is different from the psychological view previously adopted. Consistent with theory and the findings of Skarlicki and Folger (1997) that indicate that a lack of fairness predicts retaliation, we also control for the effects of perceived unfairness. This construct is measured by asking the respondents to indicate the extent the service failure was fair versus unfair, equitable versus inequitable, and just versus unjust on a seven-point semantic differential scale ($M = 5.39$; $SD = 1.52$; $\alpha = .91$). Finally, we control for variance explained by dissatisfaction because of the key role played by this variable in the service failure literature (Maxham and Netemeyer, 2002; Smith et al., 1999). Dissatisfaction is measured by asking respondents to indicate the extent to which they felt dissatisfied, displeased and discontented ($M = 6.23$; $SD = 1.10$; $\alpha = .88$).

4.3. Analysis: Partial least squares with a multiplicative latent construct

A structural equation model approach using Partial Least Square (PLS) was employed to test the hypotheses of this research. Following the procedure suggested by Chin et al. (2003), we test the interaction effect between RQ and controllability by incorporating a latent multiplicative variable in the structural model.

PLS is based on an iterative combination of principal components analyses and regression, and it aims to explain the variance of the constructs in the model (Chin, 1998). In terms of advantages, PLS simultaneously estimates all path coefficients and individual item loadings in the context of a specified model, and as a result, it enables researchers to avoid biased and inconsistent parameter estimates. PLS is ideal for the early stages of theory development, as is the case in this research (Hulland, 1999). PLS is gaining popularity in consumer and service research (cf. Dellande et al., 2004).

Based on recent developments (Chin et al., 2003), PLS has been found to be an effective analytical tool to test interactions by reducing type II error. In typical approaches using OLS regression, interaction terms increase the potential for Type II error through the inflation of measurement error. To illustrate this limitation, consider the following regression with a multiplicative term: $Y = a + bX + cZ + d(X^*Z) +$ error. In this regression, X and Z constitute two continuous summated scales, and X^*Z is their multiplicative effect. If each summated scale captures 70% of the "true score" and 30% measurement error, then the interaction term is composed of 50% of "true score" (i.e., .7 X .7 $\approx$ .50) and 50% of measurement error. As a result, typical moderated regression analysis inflates measurement error in the multiplicative term and reduces the power of statistical tests. By creating a latent construct which represents the interaction term, a PLS approach significantly reduces this problem by accounting for the error related to the measures.

The latent multiplicative variable introduced in the PLS model is reflected in a series of product indicators. In this research, these product indicators constitute the products between the three standardized indicators of controllability and the four of RQ (i.e., three items * four items = twelve product indicators). Standardizing the indicators helps avoid multicolinearity problems by lowering the correlation between the product indicators and their individual components.

5. Results

5.1. Measurement model

The adequacy of the measures is assessed by evaluating the reliability of the individual items, and the discriminant validity of the constructs (cf. Hulland, 1999). Item reliability is assessed by examining the loading of measures on their corresponding construct. All the loadings of scales measuring reflective constructs approach or exceed .7 (see Appendix for the key constructs' measurement properties), which indicates that more than 50 percent of the variance in the observed variable is explained by the construct.

The discriminant validity of the construct was assessed in two ways. First, an examination of the cross-loadings shows that no item loads more highly on another construct than it does on the construct it is intended to measure. Second, we compared the square root of the average variance extracted from each construct with its correlations with the other constructs as a test of discriminant validity (cf. Hulland, 1999). As indicated in Table 1, all values representing the square root of average variance extracted are substantially greater than all the other correlations. Table 1 also displays the means, standard deviations and correlation matrices for all the key constructs of the model.

Table 1 Descriptive statistics and correlation matrix for key constructs

Construct scale	# Items	Descriptive		Correlations					
		M	*SD*	1	2	3	4	5	6
1. Desire for retaliation	6	4.07	1.91	**.88**					
2. Controllability (CON)	3	5.70	1.35	.28*	**.90**				
3. Relation Quality (RQ)	4	3.91	.98	−.19	−.20*	**.72**			
4. Negative WOM	3	5.29	1.71	.55**	.16	−.14	**.88**		
5. Patronage reduction	4	4.60	2.17	.41**	.11	−.02	.51**	**.87**	
6. Third-party responses	3	1.41	.89	.31**	.04	.05	.24*	.19	–

Note 1: The square root of the average variance extracted is presented in bold characters in the correlation matrix.
Note 2: * $p < .05$; ** $p < .01$ (two-tailed test).
Note 3: Table 1 only presents statistics and correlations for the key constructs of this study, i.e., the constructs making the object of hypotheses.

Table 2 Results of PLS models

Relationships	Model 1: no multiplicative variable		Model 2: with multiplicative variable	
	Path coefficient	*t*-value	Path coefficient	*t*-value
Desire for retaliation $(R)^2$	*(.21)*		**(.27)**	
C1: frequency of interactions → desire for retaliation	−.094	(−1.49)	−.076	(−.75)
C2: length of relationship → desire for retaliation	.058	(1.01)	.047	(.13)
C3: perceived unfairness → desire for retaliation	.289	(2.37)*	.278	(2.45)*
C4: dissatisfaction → desire for retaliation	.075	(.37)	.079	(.45)
H1: controllability (CON) → desire for retaliation	.176	(1.94)	.151	(1.17)
H1: relationship quality (RQ) → desire for retaliation	−.145	(1.07)	−.150	(2.14)*
H1: RQ*CON → desire for retaliation	–	–	.248	(3.24)**
Negative WOM (R^2)	**(.30)**		**(.30)**	
H2a: desire for retaliation → negative WOM	.548	(8.96)***	.548	(8.85)***
3rd*Party Complaining* (R^2)	**(.10)**		**(.10)**	
H2c: desire for retaliation → 3rd-party complaining	.314	(4.18)***	.314	(3.41)***
Patronage Reduction (R^2)	**(.16)**		**(.16)**	
H2b: desire for retaliation → patronage reduction	.406	(4.08)***	.406	(4.78)***

Note: $^*t = 1.99$, $p < .05$;** $t = 2.63$, $p < .01$;*** $t = 3.39$, $p < .001$ (two-tailed test, df = 101).

5.2. Structural models and test of hypotheses

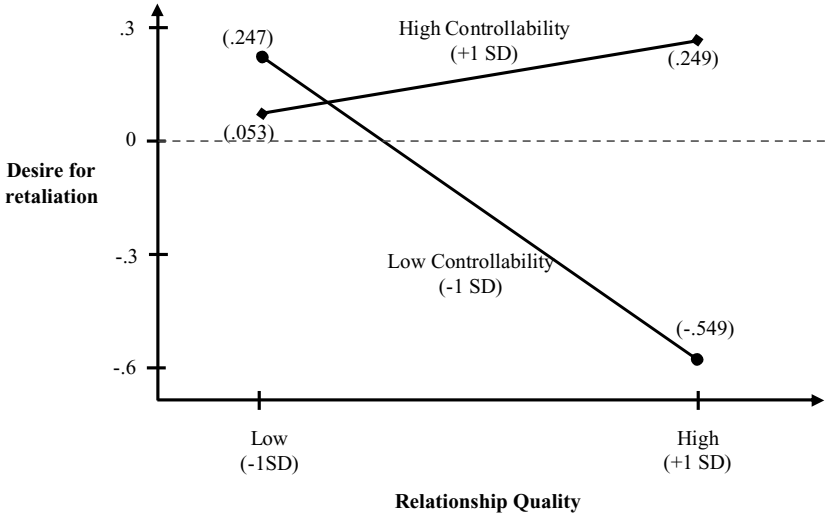
Table 2 reports the standardized path coefficients and *t*-values for the models we tested. The *t*-values were computed on the basis of 101 jackknifing runs, and their significance level was assessed with a two-tailed distribution with 100 degrees of freedom. PLS has to use resampling procedure, such as jackknifing, to assess significance of the parameter estimates (Chin, 1998). Consistent with the procedure suggested by Chin et al. (2003), two PLS models which either did not include (Model 1) and included the latent multiplicative variable (Model 2) were performed. Because the inclusion of the latent multiplicative variable explains an additional 6 percent of the variance in the desire for retaliation, we emphasize the presentation of Model 2.

In terms of control variables, the perception of unfairness is positively related to the desire for retaliation (*path coefficient* = .278; $t = 2.45$; $p < .05$), a finding which is consistent with

findings in retaliation literature (cf. Skarlicki and Folger, 1997). Length of relationship (*path coefficient* = .047; $t = .13$; $p > .85$), frequency of interaction (*path coefficient* = −.076; $t = -.75$; $p > .40$), and dissatisfaction (*path coefficient* = .079; $t = .45$; $p > .65$) do not have significant effects on the desire for retaliation.

In Model 2, controllability does not have a significant main effect on the desire for retaliation (*path coefficient* = .151; $t = 1.17$; $p > .20$), whereas RQ has a significant and negative effect (*path coefficient* = −.150; $t = 2.14$; $p < .05$). However, these effects have to be assessed in light of a significant and positive effect of the RQ by controllability multiplicative variable (*path coefficient* = .248; $t = 3.24$; $p < .01$). Consistent with the logic underlying H1a and H1b, the effect of RQ appears to be contingent upon the attributions made about controllability.

To interpret the meaning of the significant multiplicative variable, we used the procedure recommended by Cohen and Cohen (1983) and plotted the relationship between RQ and a firm's controllability (see Figure 3). We used conservative standardized values "−1" and "1" for both variables. When customers make attributions of low controllability, high RQ customers experience a substantively lower desire for retaliation than high RQ customers (−.549 versus .247 respectively). This result is consistent with H1a and the predicted "love is blind" effect. On the other hand, when customers make attributions of high controllability, high RQ customers express a stronger desire for retaliation than low RQ customers (.249 versus .053). This result is directionally consistent with the prediction of H1b and a "love becomes hate" effect. However, it should be noted that when controllability is high, the difference between the desire for retaliation of high versus low RQ customers is relatively small. Indeed, a post-analysis reveals no significant difference in the desire for retaliation between high RQ customers versus low RQ customers in context



Note: The levels of retaliation presented in this figure are based on the conservative assumptions that RQ and controllability vary between "-1" and "1" standardized values (Cohen and Cohen 1983).

Fig. 3 The interaction effect of RQ and controllability on desire for retaliation (results)

of high controllability ($t = .94$; $p > .30$). Overall, the interaction appears to be caused by the lower desire for retaliation experienced by high RQ customers when they perceive low controllability.

Consistent with H2a, H2b and H2c, a desire for retaliation has positive effects on negative word-of-mouth (*path coefficient* = .548; $t = 8.85$; $p < .001$), third-party complaining (*path coefficient* = .314; $t = 3.41$; $p < .001$), and patronage reduction (*path coefficient* = .406; $t = 4.78$; $p < .001$).

5.3. Robustness of the findings

To test the robustness of our findings, we ran an additional model in which we added a direct path from RQ to controllability. In order to be consistent with their positive priors (Robinson, 1996), high RQ customers may infer that the firm had lesser control over the service failure. Consistent with this view, the path "RQ → controllability" is negative and significant (*path coefficient* = −.247; $t = 2.14$; $p < .05$). Because of this addition, the direct path "RQ → desire for retaliation" is reduced from −.150 to −.122 and becomes marginally significant ($t = 1.76$; $p < .10$). The other parameters of the models remain significant and similar in magnitude. The examination of the multiplicative latent variable between RQ and controllability is of special interest in this model. The path "RQ*CON → desire for retaliation" remains positive and significant (*path coefficient* = .251; $t = 3.03$; $p < .01$), a result that supports the theoretical development related to the contingent effects of controllability.

6. Discussion

Customer retaliation is an understudied topic in the marketing and service literatures, and this research is one of the first to examine this phenomenon. An assessment of the distribution of the scores for a desire for retaliation reveals that a substantive portion of respondents (34%) experienced a strong desire for retaliation against a service firm (i.e., a score greater than 5). In addition, the mean for a desire for retaliation in a service context ($M = 4.01$) appears to be substantively higher than those reported in the workplace ($M = 1.69$ after conversion into a comparable scale) (Aquino et al., 2001) and personal relationship contexts ($M = 2.51$ after conversion) (McCullough et al., 1998). These findings highlight the importance of understanding the potential for customer retaliation.

Our findings provide strong support for H1a and the "love is blind" effect. When low controllability is inferred, high RQ customers experience a very low desire for retaliation compared to low RQ customers, which should result in a lower propensity to spread negative word-of-mouth, to exit the relationship with the firm, and to contact third-party organizations. When strong RQ customers attribute a service failure to uncontrollable factors, they do not consider retaliation to be a reasonable response. Given the quality of their relationship with a firm, they tend to give the firm the benefit of the doubt.

We find little support for H1b and the "love becomes hate" effect. High RQ customers experience a higher desire for retaliation than low RQ customers when the service failure is believed to be under the control of the firm. Although the results are in the expected direction, the difference between high RQ versus low RQ customers is not significant. In light of this finding, customers seem to experience a similar desire for retaliation when they infer high controllability regardless of the quality of their relationship. When customers perceive

that a firm had control over a failure, most find this situation to be unacceptable and seek retaliation.

The low level of identification observed in this study offers a first possible explanation justifying the absence of a conclusive "love becomes hate" effect—only eight respondents had a score greater than four (on a seven-point scale) on identification. The "love becomes hate" effect probably requires a very strong connection with the focal firm, arguably based on a strong identification, in order to produce intense feelings that lead to increased retaliation. Because respondents did not strongly identify with the firm that caused the service failures, their motivation to retaliate was probably lower. A second possible explanation is that a single negative experience is insufficient to transform strong RQ customers into committed "enemies" trying to punish the firm. As future research avenues, we suggest examining service failure contexts within which customers have a strong sense of identification and experience a series of service failures.

The results indicate that strong RQ only prevents customers from retaliating when they infer that the firm has little control or responsibility for the service failure. These results have important repercussions for practice because they indicate that strong RQ customers cannot be taken for granted in all situations, and that they are not always more forgiving. Further, the results highlight the importance of ensuring that high RQ customers recognize situations where the firm has limited control over a failure. Attributions of low controllability have the potential to substantively reduce the desire for retaliation of this important group of customers.

Finally, a desire for retaliation significantly predicts negative word-of-mouth (30% of the variance), complaining to a third-party (10%), and patronage reduction (21%). In order to understand the robustness of the effects, we ran an additional model in which we controlled for the effects of dissatisfaction, a key predictor in the service failure literature (Smith et al., 1999), on the three complaint behaviors. In this new model, dissatisfaction does not significantly predict 3rd party complaining (*path coefficient* $= -.151$; $t = .12$; $p > .91$), and it has only marginally significant effects on negative word-of-mouth (*path coefficient* $= .202$; $t = 1.77$; $p < .10$) and patronage reduction (*path coefficient* $= .169$; $t = 1.95$; $p < .10$). On the other hand, the effects of a desire for retaliation on the complaint behaviors remain significant and virtually unchanged in magnitude. These results are interesting and indicate that complaint behaviors are motivated and explained by a desire to punish and obtain revenge against a service firm. An interesting research avenue would be to explore the effects of a desire for retaliation on positive behaviors, such as problem-solving complaining, and on post perceptions of relationship quality.

7. Limitations and directions for future research

Although retrospective methods have been widely used within the service failure and retaliation literatures (e.g., Aquino et al., 2001; McCullough et al., 1998; Singh, 1988; Tax et al., 1998), there exists some potential for memory effects. Respondents are required to think back to remember how they felt before and during a service failure that was, on average almost a year prior to the administration of the survey. Further, the cross-sectional nature of this type of data limits conclusions about causality and may raise issues of method and measurement bias. Future research using experimental designs, longitudinal surveys and qualitative approaches would be useful to establish the robustness of our findings.

8. Conclusion

This research examines the effects of RQ on a desire for retaliation. It suggests that RQ has a negative effect on a desire for retaliation when customers infer that a firm did not have control over the failure (i.e., the "love is blind" effect). On the other hand, RQ has no significant effect when customers perceive that a failure can be attributed to controllable factors.

Appendix

Table 3 Results of the exploratory factor analysis for the relationship quality constructs

Item	Factor 1	Factor 2	Factor 3	Factor 4
RQ -Trust ($M = 5.15; SD = 1.43; \alpha = .94$)				
–I felt that the organization was...				
• Very undependable (1) - Very dependable (7)	.88			
• Very incompetent (1) – Very competent (7)	.89			
• Of low integrity (1) – Of high integrity (7)	.83			
• Very unresponsive to consumers (1) - Very responsive consumers (7)	.85			
RQ – Relationship Satisfaction ($M = 5.39; SD = 1.52; \alpha = .91$)				
• I was satisfied with the relationship I had with the organization.		.78		
• Compared to other relationships I knew or heard about, the one I had with the organization was quite good.		.77		
• I was happy with the effort this organization was making towards consumers like me.		.88		
RQ – Commitment ($M = 3.38; SD = 1.36; \alpha = .71$)				
• This relationship was something I was very committed to.			.60	
• The relationship was something I intended to maintain indefinitely.			.81	
• This relationship deserved a maximum of my effort to maintain.			.68	
RQ – Identification ($M = 2.28; SD = 1.41; \alpha = .89$)				
• The organization's successes were my successes.				.87
• If someone would have praised the organization, it would have felt like a personal compliment.				.87
• If someone would have criticized the organization, I would have felt like a personal insult.				.83
• I felt like part of the family at this organization.				.88
• I felt a sense of belonging to this organization.				.82

Note: We performed a principal component analysis with VARIMAX rotation. Only the loadings greater than .5 are represented.

Table 4 Measurement properties of the PLS model

Item	Standardized loading
Controllability ($M = 5.70; SD = 1.35; \alpha = .93$)	
–To what extent was the organization responsible for what happened?	
• Not at all responsible (1) – Totally responsible (7).	.88
– To what extent do you think the service failure was...	
• ... not at all the organization's fault (1) – completely the organization's fault (7).	.93
– To what extent do you blame the organization for what happened...	
• Not at all (1) – completely (7).	.91
Relationship Quality ($M = 3.91; SD = .98; \alpha = .80$)	
• Satisfaction	.67
• Trust	.80
• Identification	.72
• Commitment	.67
Desire for retaliation ($M = 4.07; SD = 1.91; \alpha = .95$)	
– Indicate to which extent you wanted...	
• ... to do something bad to the organization.	.88
• ... to take actions to get the organization in trouble.	.87
• ... to cause inconvenience to the organization.	.88
• ... to punish the organization in some way.	.89
• ... to make the organization get what it deserves.	.87
• ... to get even with the organization.	.87
Patronage Reduction ($M = 4.60; SD = 2.17; \alpha = .93$)	
• I spent less money at this business.	.85
• I stopped doing business with this firm.	.88
• I reduced frequency of interaction with the firm.	.90
• I brought a significant part of my business to a competitor.	.88
Negative Word-of-Mouth ($M = 5.29; SD = 1.71; \alpha = .91$)	
• I spread negative word-of-mouth about the organization.	.89
• I denigrated this organization to my friends.	.91
• When my friends were looking for a similar product or service, I told them not to buy from this firm.	.84
Third Party Complaining ($M = 1.41; SD = .89$; formative construct)	
• I took legal action against the firm.	–
• I reported their behaviors to a consumer or governmental agency.	–
• I contacted the media to denounce their behaviors.	–

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