Businesses are struggling with a new type of customer; the empowered consumer. Empowered consumers are educated, informed about competing products and services through the internet and protected by consumer laws.

The empowered consumer is knowledgeable, confident, assertive and self-reliant. He shops and buys on his own terms, instead of those dictated by stores and marketers.

Some firms are reluctant to give up control and prefer to exploit the information asymmetries that existed prior to the creation of the internet. Other firms offer more control to the customer, hoping to co-create value.

In a series of studies, Herm Joosten investigates the effects of customer control in services. Is more control always better? Is control only about having choices? Does the customer have to be personally in control?

The answers are relevant to anyone with an academic or managerial interest in ways for businesses to co-create value with their customers.
Consumers in Control

Studies on the Effects of Control Beliefs on Attitudes and Behaviors of Service Customers

Herm Joosten
Consumers in Control

Studies on the Effects of Control Beliefs on Attitudes and Behaviors of Service Customers

Proefschrift

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“If everything seems under control, you’re just not going fast enough”

-Mario Andretti
Foreword

A few years ago, I was sitting in a dentist’s chair, anxiously awaiting a root canal treatment. The dentist told me that I could raise my hand whenever I wanted him to stop drilling and poking for a few moments to give me a chance to catch my breath. This opportunity to have some degree of control over this stressful situation mitigated my anxiety considerably.

Sometime later, I visited a mobile phone shop to buy a mobile phone package. There were hundreds of different offers to choose from, but the complexity of the terms and conditions of these offers overwhelmed me, and I felt ill prepared to make a decision. On this occasion, control of the service did not mitigate my anxiety but - on the contrary - caused it. I would have preferred someone else – someone who is trustworthy and knowledgeable – to make a decision for me.

In two of the classes I teach, I did a small experiment. I told the students in both classes that we were going to attend a play in a nearby theatre. In one class I told the students that the reservation website of the theatre had assigned them a specific seat (either A11 Balcony, B12 Royal Circle or C13 Stalls). The other class I told that they had a choice between three different seats still available (either A11 Balcony, B12 Royal Circle or C13 Stalls). The assigned seats were therefore identical to the choice of available seats. I then provided both classes with the seating plan of the theatre and asked them how satisfied they were with their seats. It turned out that students who had had a choice were more satisfied with their seats than students who did not have a choice, in situations where the seats were identical, and even in situations where the seats of the former were less desirable than the seats of the latter. Apparently, in this situation, having control – in the form of choice - had a positive impact on the evaluation of the service.

Experiences outside university made me even more aware of the power and effects of control. As a member of an arbitrational tribunal, I resolve disputes between firms and consumers. Evidently, all customers who complain to this tribunal are dissatisfied with the firm, but I also noticed – throughout the years - that the customers who feel that they have lost control in their relationship with the service provider are most frustrated and angry. Understandably, they are disappointed that the service did not live up to their expectations, but they are furious about the fact that the service provider did not return their calls, did not
respond to written complaints and did not show up for appointments. Some complainers even take elaborate steps to hurt the company to take revenge for their wrongful treatment. Apparently, losing control is also a powerful motivating force.

These experiences—and many more—made me aware of the powerful impact and the different effects having control or not having control can have in services, service recovery and third party interventions. When the opportunity arose to write a dissertation, the role and effects of customer control in these different services presented itself as an interesting topic.

This dissertation is the manifest result of my struggle with the concept of control in services. Of equal value and importance to me is what I have learned throughout the process of writing this dissertation. Both would not have been possible without the advice and help of many people. I would like to acknowledge their contribution and thank them for their help.

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I also owe an apology to my daughter Lara (9) for the disappointing news that –although I hope to become a doctor- I still will be of no use in curing her or her friends of any aches or illnesses.

Finally –to rectify another common misconception among most children and some adults:- although the title “Dr.” contains fewer characters than the title “Drs.”, I can indeed confirm it requires considerable more effort.

The greatest challenge and effort for me in writing this dissertation was to be concise. As those who know me may confirm: I have always been to the point, but not always brief. I hope the reader recognizes and appreciates my sincere efforts in this dissertation to be both.
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CHAPTER 1
INTRODUCTION
Introduction

1.1 Introduction

Until recently, the dominant view of marketing held by most marketing scholars and practitioners was one in which goods are different from services and consumers are different from producers. In this view, value is created by the producer and enclosed in the product or service, ready for the customer to buy. The consumer is seen as having no influence on the definition, production and delivery of value.

The service-dominant logic (introduced by Vargo and Lusch in 2004) challenges the efficacy of these dichotomies and this view of value creation. It argues that value is co-created between producers and consumers, and goods are merely intermediate products in the provision of a service (Lusch, Vargo and O’Brien, 2007; Xie, Bagozzi and Troye, 2007). In co-creation, consumers are involved in the value creation process by having more control over the definition, production and delivery of value (Grönroos, 2006; Denegri-Knott, Zwick and Schroeder, 2006). Many authors consider the service-dominant logic to be a paradigm shift in marketing, and co-creation of value the next frontier in competitive effectiveness (Dong, Evans and Zou, 2008; Bendapudi and Leone 2003; Vargo and Lusch 2004).

Co-creation of value is—as a theoretical concept and a marketing practice— a complement to a seemingly broader trend in western societies: the trend of consumer empowerment. Higher education and available information on the internet have made consumers increasingly aware of the rights they have and the choices there are in the marketplace, and they are increasingly prepared to assert these rights vis-à-vis manufacturers and service providers (Harrison, 2002; David, 2001; Newholm, Laing and Hogg, 2006; Pires, Stanton and Rita, 2006). Businesses try to incorporate this presumed shift in the relationship’s balance of power by involving consumers in the value creation process by sharing control with them.

Consumer empowerment and value co-creation therefore are complementary processes: producers and service providers adapt their manufacturing and service delivery processes to accommodate customers who want more control over their consumption experiences, and in doing so, empower customers even more. Empowerment and co-
creation have also introduced the important role of customer control to the study of marketing interactions and relationships. The basic assumption underlying both notions is that consumers always want more personal control (empowerment) over the definition, production and delivery of value (co-creation) and benefit (perceive value) from having more control (Denegri-Knott, Zwick and Schroeder, 2006).

Looking at the empirical evidence to support this assumption, however, we find only a limited number of studies on the effects of control in the (initial) service, very few in the context of service recovery and no studies in the context of third party intervention (customers complaining to a third party after a failed service recovery). A review of these studies for their empirical support of this assumption found several issues: do customer always benefit from more control? Is it true that more control is always better? Is control only about having choices in a service, or are there other types of control also? Does control have to be personal to be beneficial, or may control also be exercised by someone else (a third party)? These questions serve as the basis for three separate empirical studies which form the body of this dissertation. Before introducing the aim and purpose of the three studies, however, we will first briefly discuss the shared context of the three studies: the emerging service-dominant logic, co-creation of value and consumer empowerment, and the central concept of this dissertation: control.

1.2 Service-Dominant Logic

At a time when products were dominant in western economies, marketing practitioners and academics were mainly focused on the marketing of goods and products, especially mass-market consumer goods. Marketing was defined as a set of business activities that direct the flow of goods and services from producer to consumer. In the 1950’s this to market orientation changed to a market to orientation: the market and customer were researched and analyzed and then products were adapted (in terms of product, place, price and promotion) to meet customer or marketplace needs. In both orientations, goods are the primary unit of exchange and customers are no more than passive recipients of these goods (Vargo and Lusch, 2004; Lusch, Vargo and O’Brien, 2007).

Since the 1950’s, however, services have become increasingly important as consumers spend a higher proportion of their income on services, and marketing professionals have broken free from product marketing (Shostack, 1977). Service marketing differentiated itself
from goods marketing, based on the differentiating key characteristics of services: intangibility, perishability, inseparability, simultaneity and variability (Parasuraman, Zeithaml and Berry, 1985). But even in services marketing, the dominant view of customers as passive recipients of value created by (service) firms remained intact.

In the 1990’s, when products are increasingly sold as product-service combinations, the distinction between goods and services becomes less clear. In 2004, Vargo and Lusch challenge the efficacy of the traditional dichotomies between goods and services, and producer and consumer. They develop a service-dominant view, “a reoriented philosophy that is applicable to all marketing offerings, including those that involve tangible output (goods) in the process of service provision” (Vargo and Lusch, 2004, p.2). In their view, goods are not end products, but merely “intermediate products that are used by customers as appliances in value creation processes” (Vargo and Lusch, 2004, p.7). Customers are not just passive recipients of goods and services; they are co-producers of the service. Value is not determined by the producer and embedded in goods or services, but created and perceived by the customer while using the product or service (Lusch, Vargo and O’Brien, 2007; Xie, Bagozzi and Troye, 2007). Essentially, the service-dominant view advocates a change from a market to orientation to a market with orientation: collaboration between producers and customers is necessary to produce and sustain value (Lusch, Vargo and O’Brien, 2007).

1.3 Value Co-creation

One of the foundational premises of the service-dominant logic is that the customer is always a co-creator of value (Vargo and Lusch, 2004; Dong, Evans and Zou, 2007). The notion of value co-creation (Prahalad and Ramaswamy, 2000) emphasizes that both firm and customer benefit from sharing and combining their resources through activities and interactions in the service network (McColl-Kennedy and Tombs, 2011). Consumers are not just “passive audiences”, but “active co-producers” (Dong, Evans and Zou, 2007, 137) who want to / are being empowered to co-construct a personalized experience within the firm’s experience environment (Prahalad and Ramaswamy, 2004). The firm no longer creates value for the customers, but with customers (Auh, Bell, McLeod and Shih, 2007). Concepts such as added value and value delivery turn into value co-creation and value propositions (Thomke and von Hippel, 2002).
Value co-creation is a transition from a definition of value as enclosed in the product or service to one where value in fact means *empowering* the customer to customize (Denegri-Knott, Zwick and Schroeder, 2006). Firms capable of co-creating this value with their customers are expected to be tomorrow’s marketing winners (Prahalad and Ramaswamy, 2004). Many companies have therefore adopted the principles of co-creation, anticipating the merits of this approach. Google—for instance—encourages and facilitates internet users to create their own iGoogle-page. Nike gives customers online tools to design their own sneakers. Linux is “open source” software, inviting everyone to contribute by programming improvements or new features. Doritos and Pepsi Max invited customers to create and submit ads to be aired during the Super Bowl. Many companies have invested time, money and energy in providing more control to the customer based on the assumption that both the firm and the customer will reap rewards (*will perceive value*) from giving and having more control.

### 1.4 Consumer Empowerment

Co-creation of value is—as a theoretical concept and a marketing practice—a complement to *consumer empowerment*. The concept of *empowerment* originates from psychological and sociological studies on how to provide individuals from disadvantaged groups with a sense of mastery and control over their own lives (Ouschan, Sweeney and Johnson, 2006). Empowerment in this sense is the process whereby groups which have experienced discrimination (based on their religion, ethnicity, race or gender) start to take control and influence important decisions with regard to their own lives. Later, empowerment research extended to the healthcare context, where empowered patients who are given more control over their treatment are presumed to have an earlier and more satisfying recovery (Ouschan, Sweeney and Johnson, 2006). Empowerment has also been applied to the workplace, where ‘empowered’ work teams or individuals are given more control over their work to enhance motivation and flexibility. Only recently, the concept of empowerment has been applied to the relationship between producers (or service providers) and consumers. In the context of marketing, *consumer empowerment* is the process by which consumers are given control of variables that are conventionally pre-determined by marketers. The presumed result of that process is that consumers feel and...
Consumer empowerment is considered an important trend by marketing practitioners. In 2005, the Marketing Magazine published an article called 5 big trends, in which the number one trend was “consumers are empowered like never before”. In a Delphi-type predictive survey of twelve European marketing experts, Bonnemaizon, Cova and Louyot (2007) identified consumer empowerment as an important trend and predicted that consumers will increasingly resist firms’ attempts to ‘create’ a relationship and become increasingly powerful parties in relationships that they will want to control.

Consumer empowerment has also quite recently been put on the agenda of politicians and policy-makers on a national and international level. The British Department of Trade and Industry, for instance, produced a report about the future of consumer policy stating that “competition is driven by empowered consumers, who can make informed choices, and who are prepared to assert their rights and to complain about poor quality goods and services” (quoted by Howells, 2005, p. 349). The European Commission recently (2011) surveyed consumers of several European countries on whether they feel confident, knowledgeable and protected. The consumer empowerment index identified Norway, Finland and the Netherlands as countries where consumers feel most empowered, and Lithuania, Poland and Romania at the bottom of the index (Nardo and Rosati, 2011).

The academic realm has also recognized empowerment as a trend in marketing. Empowering the Consumer in the 21st Century was the topic of special editions of the International Journal of Consumer Sciences in 2004 and the European Journal of Marketing in 2006. Research on empowerment, however, suggests that the beneficial effects of customer empowerment may not be as straightforward as assumed. Customers may be indifferent to a product category and have no interest in empowerment or they may not always have the skills and confidence to control the service (Eylon, 1998; Davies and Elliott, 2006). The freedom of choice that empowerment suggests might be a fiction, because professionals will ‘frame’ and limit available options to the ones acceptable to them.
(Newholm, Laing and Hogg, 2006). A customer in control may not always reach an outcome that is more satisfactory because he has to make choices, take risks and bear responsibility for which he may be ill prepared (Wathieu et al, 2002; Newholm, Laing and Hogg, 2006).

1.5 Control

The key concept in value co-creation and customer empowerment is control, and the key assumption is that consumers want to have more control in their relationships with service-providers, manufacturers and retailers (customer empowerment) and always benefit (perceive value) from being given more control and taking more control.

The verb to control comes from the Latin words contra (against) and rotulus (a roll of paper, a scroll) which in medieval times meant the checking of accounts by a duplicate register. This was done by someone (the controller) with some authority and influence, hence to control gradually acquired the meaning of “to exert authority”. In modern English, to control means to exercise restraining or directing influence over (regulate) or to have power over (rule). In everyday conversation, control is often being referred to as autonomy, independence or self-reliance, competence, superiority or mastery over the environment (Perry, Hladkyj, Pekrun, Clifton and Chipperfield, 2005). A person in control is someone who exercises authority and influence over himself, his life, others, the situation or the environment (Mirowski, 1995).

There are three different views on where the motivation to control comes from: the evolutionary, Darwinist perspective focuses on the extrinsic rewards of control: he who controls resources has a higher chance of survival and reproduction. Psychology offers two additional views on motivation to control. One view focuses on the positive motivation (the joy and pleasure of control) to control, while the other focuses on the negative motivation (fear of randomness and uncontrol) to control. We will briefly discuss these three perspectives.

In the evolutionary, Darwinist perspective the motivation to control is an evolved disposition. The motivation evolved because it contributes to the ability to achieve control of the resources (social, biological and physical) that tend to co-vary with survival and reproductive prospects during human evolution (Geary, 2005). In other words: individual humans who are motivated to control and who have the ability to control important resources (like others, food, shelter and territory) have a higher chance of survival and a
higher chance to reproduce, thereby passing down this trait genetically. In this view, the Darwinian struggle for existence and survival of the fittest is conceptualized as the individual human’s struggle with other humans or other species (preys or predators) for control of the resources that support life and allow one to reproduce. In this view the motivation to control is the single principle under which cognitive, affective and behavioral systems are organized (Geary, 2005). In fact, the human species is so successful in controlling resources for survival and reproduction that at some point during human evolutionary history our ancestors achieved ecological dominance (Alexander, 1989). At that point, the struggle for existence primarily became a struggle with other human beings for control of the resources that support life and allow one to reproduce (Geary, 1998, 2005).

This evolutionary perspective may provide an explanation for the genesis of the motivation to control, but it focuses solely on the extrinsic rewards of control behavior: he who controls resources is the one rewarded with survival and procreation. Psychologists in the 1950’s proposed that there is also an intrinsic reward to control behavior. The intrinsic reward of control behavior is in the joy and the pleasure of exploring, interacting with and affecting the environment. Contrary to what mid-century behaviorists and psychoanalysts would have expected, animals and humans are not just driven by hunger, thirst or sex (behaviorism) or libido and aggression (psychoanalysis), but also by a drive to explore, to master, to control and to alter the environment (Haidt and Rodin, 1999). Murray (1938) called this drive “need to achieve” and Maslow (1943) placed it at the top of his hierarchical pyramid of needs and labeled it “self-actualization”. As White (1959) put it: individuals prefer to be origins instead of pawns.

Other psychologists consider control not to be primarily positively motivated (by intrinsic or extrinsic rewards), but negatively motivated: perceiving the world as random and uncontrollable would be too psychologically stressful and anxiety-provoking (Cutright, 2011; Antonovsky, 1979; Janoff-Bulman, 1992; Kruglanski, 1989). The belief that desired outcomes can be intentionally produced and undesired ones can be prevented (Skinner, 1996) is a sub goal of the broader motivation to defend against fears of randomness and chaos in the world (Kay, Gaucher, Napier, Callan and Laurin, 2008). If the world is random, how can it be just and meaningful and how would we manage to interpret, predict, explain and control our outcomes (Cutright, 2011; Antonovsky, 1979; Janoff-Bulman, 1992; Lerner, 1980; Thompson, Naccarato, Parker and Moskowitz, 2001)? Would it ever be possible to know what we should
Whatever the source of the motivation to control may be, there is broad consensus that humans have a basic motivation to achieve some level of control over relationships, events and resources that are significant in their lives (Geary, 2005; Haidt and Rodin, 1999; Skinner, 1996). It is therefore perhaps not surprising that—in general—research has demonstrated that the perception of control is a robust predictor of physiological and psychological well-being in a variety of life domains, across the life span and even across different cultures (e.g., Noone, 2008; Verme, 2009; Zeilars, Perrewe, Rossi, Tepper and Ferris, 2008; Skinner, 1996; Spector, 1986; Spector, Cooper, Sanchez, O’Driscoll and Sparks, 2002; Thompson and Spacapan, 1991; Ganster, Fox and Dwyer, 2001; Ashforth and Saks, 2000). An early example of research demonstrating positive effects of perceived control is Mills and Krantz’ (1979) research, in which blood donors who were allowed to choose which arm is used experienced significantly less stress. A more recent example—and on a different scale—is Verme’s (2009) study of the European and World Value Surveys which found that the perception of control is a better predictor of life satisfaction than any other known factor such as health, employment, income, marriage and religion, both across countries and within countries.

1.6 Control in Services

Several authors (Hui and Bateson, 1991; Nataraajan and Angur, 1997; Ward and Barnes, 2001; Yagil and Gal, 2002; Namasivayam, 2004; Flammer, 2004) have called for more attention to matters of control in services because it is a “very important, yet rarely researched field of services” (Kolos and Kenesei, 2008, p.66) and “a fertile area for researchers and practitioners alike who wish to explore ways to create more effective service designs and more pleasant service experiences” (Faranda, 2001, p.1278).

This dissertation answers the call for more attention to matters of control in services by focusing on the role of control in three service contexts: the initial service (e.g., a flight to Istanbul), the service recovery (the airline’s attempt to repair the damage after the customer complains that the flight has been cancelled), and the third party intervention (the customer complains to a third party arbitrator because the airline refused to reimburse him). These service contexts are different in the sense that they are consecutive, i.e., service recovery presumes a failed service and a dissatisfied customer, and third party intervention presumes...
a failed service recovery and an even more dissatisfied customer. They are also different in
the sense that in service and service recovery two parties interact (the customer and the
service provider) and in the third party intervention a third party arbitrator is involved.

There is only a limited number of studies on the effects of control in the (initial) service,
very few in the context of service recovery and no studies in the context of third party
intervention. Interfering with the accumulation and integration of knowledge is also the
confusing variance in conceptualizations of control, a fact already mentioned by Skinner
(1996), who –in her extensive review of two decades of control research- identified some
100 different control related constructs. Her attempt to create order in and unify the various
conceptualizations of control for future research did not succeed, given the variety of
conceptualizations of control since then (e.g., Armitage and Connor, 1999; Flammer, 2004;
Heckhausen, 2004; Ashforth and Saks, 2000; Poon, 2004). Rather than embarking on another
journey to find a new, ultimate, or all-encompassing answer to the question what control is,
the studies in this dissertation take existing and prevalent conceptualizations of control in
the initial service, the service recovery and the third party intervention as a starting point.
This means that the conceptualization of control is different in our studies on the role of
control in these different contexts. These conceptualizations, however, have one thing in
common: they are about the perception of control, which is considered a more powerful
predictor of attitudes and behavior than objective control (Langer and Rodin, 1976; Burger,
1989; Endler, Speer, Johnson and Flett, 2000).

This dissertation presents the results of three separate studies on the role and effects of
control beliefs on attitudes and behavior of service customers in three different, but related
and often consecutive service experiences: the service, the service recovery (after a failed
service) and the third party intervention (after a failed service recovery). More specifically,
the three studies aim to answer three questions on the role of control: 1. is having more
control always beneficial to the customer? 2. Is control (only) about the customer having a
choice? and 3. Is it necessary for a customer to be personally in control to have a sense of
control? The general purpose of these studies is to contribute to our understanding of co-
creation of value and customer empowerment by focusing on the role and effects of
customer control in services. Table 1 presents an overview of the three studies.
Table 1. Overview of the three studies in this dissertation

1.7 Study 1: More is not always better: the pivotal role of desire for control in affecting service attitudes and behavior

The first study focuses on the role of control in the initial service and investigates whether more control is always better. Previous studies have explicitly or implicitly assumed that consumers always want control and benefit from getting more control (Namasivayam and Mount, 2006; Ward and Barnes, 2001; Hui and Bateson, 1991). These studies have conceptualized and measured control as a combination of opportunity for control and capacity for control and proposed that if these two are in effect, satisfaction will occur. The first study argues that individuals may not want the same (high) degree of control all the time, in every situation, and having control in these situations may be less advantageous, or even detrimental to consumer satisfaction. Consumers may prefer to share or delegate...
control or not to have control at all, for instance in stressful, uninvolving or high-risk situations. In other words: people may differ in their desire for control. The study proposes that the desire for control plays a pivotal role in affecting customer attitudes and behavior. More specifically, the study proposes that beneficial effects will occur if opportunity and capacity are aligned with desire. Conflicting control beliefs—on the other hand—will have a detrimental effect. In other words: the experience of control is not always wanted by, and therefore not always beneficial to the customer: more control is not always better.

The research question is: (How) does desire for control affect customer attitudes and behavior? To answer the research question, we conducted an experiment in a service context. We developed and produced 8 different video clips in which opportunity, capacity and desire for control were manipulated in a scenario. 379 students participated in the experiment. The results were analyzed with Man(c)ova.

1.8 Study 2: There’s more to control than having a choice: the effect of behavioral, cognitive and decisional control in a service recovery context

The second study focuses on service recovery and investigates whether there’s more to control than having a choice. Previous studies in service recovery have conceptualized control as having a choice between recovery options (Chang, 2006; Kolos and Kenesei, 2008; Chang, Lee and Teng, 2008; Mattila and Cranage, 2005). Studies in law and health psychology, however, suggest that there is more to control than having a choice (decisional control). More specifically: there are three types of control: behavioral control, cognitive control and decisional control (Averill, 1973) of both the outcome and the process of service recovery (Thibaut and Walker, 1978). The second study proposes that these types of control influence the perceived fairness (distributive, interactional and procedural justice) of the organizational response, which in turn affect satisfaction and loyalty.

The research question is: What is the effect of three types of control (behavioral, cognitive and decisional) of two objects of control (the process and the outcome of service recovery) on customer perceptions of (distributive, interactional and procedural) justice in service recovery? To answer the research question, we conducted a survey of 243 members of an online consumer panel. The results were analyzed with structural equations modeling.
1.9 Study 3: A sense of control without being in control; the case of third party arbitration

The third study focuses on the third party intervention and investigates whether personal control is a prerequisite of a sense of control. Many researchers on control have focused on the first person as the only possible agent in control strategies (Skinner, 1996). In some situations, however, individuals do not have the means to achieve desired outcomes themselves, they do not want the responsibility of personal control or they believe that someone else (a third party) can better help them achieve desired outcomes (Bandura, 1982; 1997; 2001; 2003). It is unclear how the aid of a third party affects a person’s sense of control. On the one hand, individuals may experience feelings of failure, inferiority and dependency because they were unable to achieve desired outcomes themselves and have to rely on a third party to help them. On the other hand, individuals may perceive the assistance of a third party as a welcome extension of their own capacity for control (Fisher, Nadler and Whitcher-Alagna, 1982). In other words: to have a sense of control, is it necessary “to be in control over things” (i.e. the Self is in control) or is it sufficient when “things are under control” (i.e., others can be in control without harming one’s feeling of control)(Antonovsky, 1979)?

In a third party intervention, the customer is no longer personally “in control of things” because he has given up control to the third party arbiter who “keeps things under control”. The third study aims to find out whether third party arbitration increases or reduces the customer’s sense of control. The research question is: What is the effect of third party arbitration in a customer-firm dispute on the customer’s sense of control?

To answer the research question, we conducted a field experiment employing a one group pre-test/post-test design in the context of the Stichting Geschillencommissies, an independent third party arbiter handling consumer-firm disputes. 156 customers complaining to this third party arbiter were interviewed immediately before and after their trial hearing. The results were analyzed with a repeated measures / mixed anova model.

In the next three chapters, the specific purpose, method and relevance of each separate study will be discussed in the presentation of the results of study 1 (chapter 2), study 2 (chapter 3) and study 3 (chapter 4). In the final chapter (chapter 5), we will summarize and
discuss the main results, offer suggestions for further research and discuss some critical views on consumer empowerment and co-creation of value.

1.10 References


Earlier versions of this study have been presented at the 2011 European Marketing Conference in Ljubljana, the 2012 European Marketing Conference in Lisbon and the 2012 Global Marketing Conference in Seoul.
More is not always better;  
the pivotal role of desire for control  
in affecting service attitudes and behavior

2.1 Abstract
Previous studies on control beliefs implicitly or explicitly assumed that more control is always better. This study shows that the relationship between control beliefs and consumer attitudes and behavior is more complex than that. More specifically, it contributes to the literature by arguing that previous studies focus too much on capacity and opportunity for control and disregarded the role of desire for control. Based on experimental data, with control beliefs manipulated in video clips depicting a service encounter in a banking context, this study shows that the (in)consistency of capacity and opportunity with desire affects attitudes (like satisfaction) and behavior (like complaining and loyalty) of service customers. More control is not always better: it is better when it is desired, but worse when it is not desired.

2.2 Introduction
Imagine two customers independently visiting a fancy restaurant. The first one—a connoisseur of fine food on a night out—chooses a very specific entree, main course and dessert. He appreciates the gérant asking him questions to be able to tailor to even more specific preferences (“would you like the broccoli to be steamed, boiled or stir-fried?”) and enjoys a satisfying dinner. The second customer—unfamiliar with the delicate menu and in hurry—tells the gérant to bring “whatever the chef recommends”. He is annoyed by the gérant bothering him with incessant questions about his preferences for the meal and leaves the establishment dissatisfied and cranky, intent on never entering it again.

While both customers were given the opportunity to control the service, the outcome is very different. This study argues this difference may be explained by the fact that the customer’s opportunity and capacity to control are not being matched by the customer’s desire to control the service.
Opportunity, capacity and desire for control are control beliefs: a person’s perception of his possibility, ability and need to manipulate, influence or predict some aspect of the environment like the course of events, the behavior of others or his own life (Perry, Hladkyj, Pekrun, Clifton and Chipperfield, 2005). Control beliefs have gained some interest by both service researchers and marketing managers because they are key factors of two emerging and complementary trends: consumer empowerment and co-creation of value.

Consumer empowerment is one of the major trends in relationship marketing (Bonnemaizon, Cova and Louyot, 2007). The basic assumption of consumer empowerment is that consumers want to become more powerful in their relationships with producers of goods and services (Bonnemaizon, Cova and Louyot, 2007). Businesses try to incorporate this trend by embracing the concept of co-creation of value, which proposes that consumers benefit from having more control over the service (Denegri-Knott, 2006; Dong, Evans and Zou, 2007). Firms capable of co-creating value with their customers are expected to be tomorrow’s marketing winners (Prahalad and Ramaswamy, 2004).

From these assumptions, both researchers and practitioners invest time, money and energy in thinking of (new) ways to provide (more) control to the customer, for instance by giving more choice (Bateson, 2000), offering participation (Bendapudi and Leone, 2003), and providing more information (Baum, Fisher and Solomon, 1981).

This study, however, contends that individuals do not want the same (high) degree of control all the time, in every situation. These differences in desire for control may be observed in everyday life. A car owner may tell the repair technician to do “whatever needs to be done”, while another customer might say: “put in a new battery”. A patient may want to confer with his physician about the diagnosis of his illness and every treatment option, or he may tell the doctor “just get me up and running as quickly as possible”. A Starbucks customer may order a cappuccino decaf latte doppio, whereas another customer might get crazy from all the options offered.

The reasons or motives for desiring no or less control may be different. Some people may not want control in highly stressful situations (buying a house) or in uninvolving situations (opening a bank account). Others may like to delegate or share responsibility (and risk) with the salesperson or trusted relatives in situations involving high (personal, financial or emotional) risk (buying a suit for a job interview, choosing your holiday destination). For some people, part of (the fun of) the experience may be in having no control in a situation,
in letting go, in undergoing the unexpected (a day at the wellness-center or traveling in an unknown country). Common observation therefore suggests customers do not always want control. The effects of offering control to customers who do not want control may therefore be less beneficial, or even disadvantageous.

To some extent, these differences in desire for control have been recognized in literature. Greenberger (1982), for instance, suggested that there are two critical components of control perceptions: the control desired and the control possessed. Later, Staw and Ross (1985) and Burger (1992) suggested that the desire for control varies across time within the same individual and among individuals at any point in time. These presumed differences in the desire for control have, however, not been considered in empirical research for their effects on service attitudes and behavior. Most studies conceptualize and measure control beliefs as a combination of opportunity for control and capacity for control (disregarding variations in desire for control), and propose that if these two are in effect, satisfaction will occur. If—however—customers differ in their desire for control, they will also differ in their evaluation of control.

Thus, while the service literature has implicitly or explicitly assumed that “more control is always better”, this study contributes to the literature by testing this assumption. More formally, this study addresses the question: (How) does desire for control affect customer attitudes and behavior? The answer is important for managers because it helps them decide when to invest time, money and energy in offering more opportunities for control and when not.

The rest of the article is structured as follows. First, we argue that it is the inconsistency of desire for control with opportunity and/or capacity which affects attitudes and behavior. Second, we develop hypotheses about the effects of inconsistent control beliefs on attitudes and behavior of service customers which will be tested in an experimental setting.

2.3 Theoretical framework

2.3.1 Control beliefs

The concept of control can be traced back to the work of Heider (1958) on attributions. Attribution theory argues that people try to make sense of what they are doing by attributing one or more causes to their behavior, either internal causes (such as personality, character or attitude) or external causes (like the situation). The theory also argues that
people try to determine the causes of the good and bad results in their lives. Individuals with a high internal locus of control think that events result primarily from their own actions and behavior. Individuals with a high external locus of control believe that events are controlled by forces outside the person, for instance powerful others, external conditions, chance or luck (Rotter, 1954). Both theories of attribution and locus of control focus exclusively on response-outcome beliefs (a person’s estimate that a given behavior will lead to certain outcomes). Bandura (1977), however, argues that—in order to act—people do not only need the conviction that a particular course of action will produce a certain outcome, but also the conviction that they can successfully execute the behavior required to produce the outcome. He refers to these last convictions as efficacy beliefs. Many authors have since then combined these two beliefs in their conceptualization of control: means-end beliefs and agency beliefs (Skinner and Chapman, 1987; Little, Oettingen, Stetsenko and Baltes, 1995); conditions and competences (Flammer 2004; Weisz 1986; Weisz and Stipek, 1982) or strategy and capacity (Namasivayam, 2004; Wellborn, Connell and Skinner, 1989). This study will refer to these two beliefs as perceived opportunity for control (the customer’s perception of the degree to which a service provider offers opportunities for primary control to the customer during the service encounter (e.g. Skinner, 1996)) and perceived capacity for control (the degree to which a customer perceives himself to be capable of performing the desired control behavior in the service context).

Both perceived opportunity for control and perceived capacity for control may, however, be relatively unimportant (important) and hence have different effects on attitudes and behavior if the outcome of an event is considered unimportant (important), i.e. if desire for control is low (high). For instance: people with a high desire for control will appreciate control more, and will suffer more from a sense of lack of control due to an aversive situation. Conversely, individuals with a low desire for control may experience adverse effects from an increase in opportunities for control. Although this effect is suggested in literature (Perry, Hladkyj, Pekrun, Clifton and Chipperfield, 2005; Schulz and Heckhausen, 1996; Burger, 1995; Burger and Cooper, 1979 and Greenberger, 1982) it has not been tested in empirical research. This study therefore proposes perceived desire for control (the degree to which a customer wants to control the process or outcome of the service) as a third important control belief.
2.3.2 The effect of conflicting control beliefs on attitudes

It is not the added or averaged value of these beliefs that form attitudes, but the consistency between those beliefs. Many theories on attitude formation and change, like Balance Theory (Heider, 1946), Congruity Theory (Osgood and Tannenbaum, 1955) and Dissonance Theory (Festinger, 1957) have stressed the importance of consistency between beliefs in explaining attitudes and behavior. Consistency theories hold that beliefs are either consistent (aligned) or conflicting (unaligned). Consistent beliefs preserve and protect the self (Aronson, Helmreich and Lefan, 1970) and public self-image (Tedeschi, Schlenker and Bonoma, 1971). Conflicting beliefs –on the other hand- lead to psychological and physiological discomfort (Aronson, Helmreich and Lefan, 1997; Elliot and Devine, 1994), negative affect (Zanna and Cooper, 1974; Elliot and Devine, 1994) and dissatisfaction (Hausknecht, Sweeney, Soutar and Johnson, 1998). More than two beliefs may be considered at one time (Festinger, 1957) and the degree of discomfort and dissatisfaction depends on the number of conflicting beliefs (Festinger, 1957).

In the context of our study, a service customer may experience 0 conflicts (all control beliefs are aligned), 1 conflict (desire for control conflicts with either capacity or opportunity) or 2 conflicts (desire for control conflicts with both capacity and opportunity)(see table 1).

<table>
<thead>
<tr>
<th>High desire</th>
<th>Low desire</th>
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<tbody>
<tr>
<td>High opportunity</td>
<td>Low opportunity</td>
</tr>
<tr>
<td>High capacity</td>
<td>consistent</td>
</tr>
<tr>
<td>Low capacity</td>
<td>1 conflict</td>
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</tbody>
</table>

Table 1 Consistent and conflicting control beliefs

Since consistency theories predict that more conflicting beliefs produce more discomfort, negative affect and dissatisfaction, we expect more conflicting control beliefs in a service context to have a negative effect on satisfaction with the outcome (the favorability of an individual’s subjective evaluation of the result of a service) and satisfaction with the process (the favorability of an individual’s subjective evaluation of the manner in which the
service was received) and (e.g. Gronroos, 1982, 1990; Powpaka, 1996; Dabholkar and Overby, 2004).

H1: The higher the number of conflicts between control beliefs, the lower (a) the satisfaction with the outcome and (b) the satisfaction with the process.

Conflicting beliefs do not only cause discomfort, they also trigger causal and attributional processes ("who is to blame?") (Heider, 1946; Weiner, 1985; Pittman and Pittman, 1980). The nature of the attributions made influences both affective and behavioral responses (Machleit and Mantel, 2001; Folkes, 1984, 1988; Folkes, Koletsyky and Graham, 1987). Causality and blame for the discomfort may be exclusively assigned to others like the service provider (external attribution: Heider, 1944; Rotter, 1954) leading to lower satisfaction with the service provider (the favorability of an individual’s subjective evaluation of the role and performance of the service provider). It is, however, more common that the individual assigns part of the responsibility and blame to him/her self (internal attribution) (Feather, 1969), leading to lower satisfaction with Self (the favorability of the customer’s subjective evaluation of his own role and performance in a service). We therefore expect that the discomfort caused by a higher number of conflicts between control beliefs does not only lower satisfaction with the outcome and satisfaction with the service provider and satisfaction with Self:

H2: The higher the number of conflicts between control beliefs, the lower (a) the satisfaction with the service provider and (b) the satisfaction with Self.

Consistency theories hold that the degree of discomfort and dissatisfaction not only depends on the number of conflicting beliefs, but also on the importance of those beliefs (Festinger, 1957). Previous research on the role of control beliefs in services has implicitly or explicitly assumed that the perceived opportunity to control and the perceived capacity to control are always important, and hence always have positive effects (on satisfaction) (e.g. Namasivayam and Hinkin, 2003; Namasivayam, 2004). This study argues that perceived capacity for control and perceived opportunity for control are not always important (and therefore do not always have positive effects on satisfaction), but depend on the perceived desire for control. If the desire for control is high, having the capacity and opportunity to control are important to the customer and will have beneficial effects on satisfaction.
control is not desired however, the capacity and opportunity to control will have less beneficial (or even adverse) effects on satisfaction. This implies that conflicts (of capacity and opportunity) with high desire for control (b, c and d in table 1) will produce more discomfort and lead to lower satisfaction than conflicts with low desire (e, f and g):

H3: Conflict between high perceived desire for control and low perceived opportunity and/or low perceived capacity for control will result in less (a) satisfaction with the outcome, less (b) satisfaction with the process, less (c) satisfaction with the service provider and less (d) satisfaction with Self than conflict between low perceived desire for control and high perceived opportunity and/or high perceived capacity for control.

The previous three hypotheses propose that conflicts of opportunity and capacity with desire lower satisfactions (H1 and H2), and that conflict with high desire lower satisfactions more than conflicts with low desire (H3). Both situations of conflict (of opportunity and capacity with either high or low desire for control) will, however - according to consistency theories - lead to lower satisfactions as compared to a situation with no conflict (between desire and capacity and/or opportunity). In other words: it is the consistency with desire for control which predicts satisfactions. If capacity and opportunity for control are lower than desired and if capacity and opportunity are higher than desired, satisfactions will be lower than when capacity and opportunity are as desired (despite the fact that capacity and/or opportunity may be high or low):

H4: Situations of conflict (between perceived desire for control and perceived opportunity and/or perceived capacity for control) will result in lower (a) satisfaction with the outcome, lower (b) satisfaction with the process, lower (c) satisfaction with the service provider and lower (d) satisfaction with Self than situations of no conflict (between perceived desire for control and perceived opportunity and/or perceived capacity for control).

2.3.3 The effect of conflicting control beliefs on behavior
Consistency theory posits that individuals are motivated to reduce the discomfort of conflicting beliefs to preserve a consistent, stable, predictable, competent, morally good sense of Self (Aronson, Helmreich and Lefan, 1970) and to satisfy their need for effective and unconflicted action (Harmon-Jones and Harmon-Jones, 2008). Individuals experiencing
discomfort will have to seek and employ a strategy to reduce the discomfort. Discomfort may be reduced by changing (aligning) a conflicting belief, so that it no longer conflicts with another belief and consistency is restored (Harmon-Jones and Harmon-Jones, 2008) or by switching to a situation that does not create discomfort (Festinger, 1957). In the context of services, these strategies are complaining (to get direct personal control back), seek help (asking for someone’s assistance to obtain indirect control of the situation; Flammer, 2004; Rothbaum, Weisz and Snyder, 1982), or switch to another situation (Skinner, 1996). These strategies restore consistency or avoid the situation that evokes discomfort resulting from inconsistent control beliefs. Therefore, this study proposes that the strength of the motivation to employ these strategies depends on the (increasing) degree of discomfort resulting from more (0, 1 or 2) conflicts of desire for control with capacity and/or opportunity for control.

H5: The higher the number of conflicts between control beliefs, the higher (a) the intention to complain, (b) the intention to seek help and (c) the intention to switch to another provider.

On the other hand, consistency theory posits that individuals respond positively to situations which do not evoke inconsistent beliefs (and the resulting discomfort). In the context of services they may respond with a higher intention to agree with (accept) the service, a higher intention to approach this service situation in the future (loyalty) and a higher intention to refer this service to others (positive word of mouth) (e.g. Roth and Cohen, 1986; Skinner, 1996; Connell and Wellborn, 1991). We therefore expect that the discomfort resulting from higher numbers of conflict between desire for control and opportunity and/or capacity for control will lead to a lower intention to engage in these behaviors:

H6: The higher the number of conflicts between control beliefs, the lower (a) the intention to accept the service, (b) loyalty, and (c) the intention to engage in positive word of mouth.

2.4 Method

2.4.1 Research Design

To test the hypotheses, we conducted a scenario-based, between-subjects, posttest-only experiment using video clips. Both written scenarios (e.g. Bendapudi and Leone, 2003;
Hui and Bateson, 1991; Kolos and Kenesei, 2008) as well as video scenarios (Namasivayam and Hinkin, 2003) have been used successfully in services research on satisfaction. Control beliefs have been manipulated effectively in earlier research (Fisher and Johnstion, 1996) but not with the help of video clips. Literature suggests, however, that it is possible to manipulate someone’s beliefs, for instance by engaging him or her in behavior that would characteristically imply his or her endorsement of that belief (Bem, 1967; Brehm and Cohen, 1962; Murray McNiel and Fleeson, 2006) or by letting him or her imagine being in such a situation (Cramer and Fong, 2005). Especially video clips may be helpful because they create vivid and realistic stimulus material (Galetzka, Verhoeven and Pruyn, 2006). We therefore created 8 different video clips in which three independent variables (control beliefs desire, capacity and opportunity) were manipulated on two levels each (high and low). Since the focus is not on the effect of absolute levels of the three control beliefs, but on the effects of conflict of desire for control with opportunity and/or capacity for control, we arrive at a 2x2x2 factorial design.

2.4.2 Stimulus materials

The video clips show a Dutch bachelor student who wants to do a master’s degree in the US and needs to take out a loan with a bank for this purpose. The plot unfolds in five major scenes: the first scene takes place in a student’s room, where the bachelor student, her goal (obtaining a loan) and the context are introduced. Because she wants to discuss her plans with her father, she enters her parent’s house (transitional scene) and talks to her father in the living room (second scene). The conversation ends with the student’s announcement that she is going to phone the bank to make an appointment. The third scene is again in her room, where she phones the bank to make an appointment. In a short transitional scene, the student enters the bank and is welcomed by a receptionist. The fourth scene takes place in one of the bank’s offices, where she discusses the loan with the bank employee. In the fifth scene —still in the office—she receives a proposal for a specific loan from the bank employee. In a short final scene, she walks out of the bank with a thoughtful look on her face (as if wondering: “what should I do?”).

A professional actress played the role of student, an experienced female bank employee played the role of financial advisor and a colleague played the role of the student’s father. All actors were trained and coached by a professional director. To facilitate the
viewers/respondents’ identification with the student, the perspective in each scenario gradually changes (from the first to the fifth scene) to the student’s perspective. To ensure that we did not manipulate the length of the encounter, we clipped each scenario to a length of about 6.30 minutes. Three experienced bank employees considered the eight scenarios to be realistic. An initial screening of the video clips to a small audience of expert faculty members and students resulted in several minor technical or visual adjustments. An example of one scenario can be found in Appendix 2.

2.4.3 Procedure and participants

The scenarios were shown during several lectures and workgroups at a large Dutch university. Students were asked to voluntarily participate in the study, offering lottery tickets as an incentive. Classes were randomly assigned to a specific scenario until that scenario had enough (>40) participants. Students were told that the purpose of the study was to find out how customers evaluate service situations. They were asked to put themselves in the situation of the student in the video-clip, watch the clip carefully and answer the questions (paper and pencil) afterwards. 396 questionnaires were returned, 379 of which were valid without missing data. About 61% of the students were male. The average age of the participants was 20.5 years; the youngest was 17, the oldest 48 years old. 89% were bachelor students (year 1: 70%, year 2: 15%, year 3: 4%), 11% were master students (year 4). 87% of the respondents had never applied for a loan with a bank. The respondents self-assessed their own financial knowledge and skills as moderate to reasonable, with an average of 4.3 on a 7-point scale and an sd of 1.3. The average number of participants per scenario was 47, varying from 41 (= 10.8% of the sample) to 55 (=14.5%).

2.4.4 Manipulation of control beliefs

High desire individuals have a motivation to influence the situation, to have a choice, to make one’s own decisions, to be independent, to change the situation and to collect information about the situation (e.g. Burger and Cooper, 1979; Robbins, Crino and Fredendall, 2002; Lunardo and Mbengue, 2009; Stotland and Blumenthal, 1964; Fuchs, Prandelli and Schreier, 2010; Bateson, 2000). We operationalized this motivation in the scenario in several conversations: in the high desire situation the student wants to change the time and date of the appointment during a phone call, wants to change the terms and
conditions of the loan during the meeting, asks many questions during the phone call and the appointment, tells her father and the bank employee she wants to decide herself, is seen searching for information before the meeting and asks the bank employee for several options to choose from. In the low desire situation, the student does/wants none of this.

High capacity individuals perceive themselves as having the knowledge and skills necessary to control an event or person (Flammer, 1996; Spreitzer, 1995). In the context of the experiment –involving making an appointment for a meeting and subsequently negotiating a loan with certain terms and conditions- the most relevant knowledge is general and specific financial knowledge and understanding with regard to the terms and conditions of the loan. The most relevant skills are communicating, influencing and negotiating skills with regard to the processes of arranging a meeting and negotiating a deal. We operationalized this high capacity in the scenario in several conversations: in the high capacity situation, the student tells that she is a third year business student who took courses in business and finance, demonstrates knowledge of money issues by asking intelligent questions, is praised by her father as a good negotiator and uses the book “Finance and Accounting”. In the low capacity situation, the student is a third-year anthropology student who tells that she never had a course in business or finance, tells her father and the bank employee she has no knowledge of money issues, is being classified as a bad negotiator by her father and uses the book “Personal Finance for Dummies”.

We operationalized high and low opportunity in verbal behavior of the bank employee, who offers or denies opportunities for influence, choice, own decision-making, independence, change, participation and information with regard to the outcome and the process of the service to the bank customer, or who tries to reject or withstand attempts from the bank customer to gain control of the service process and outcome. In the high opportunity situation the service provider offers the student a choice for date and time of the meeting, gives a choice for the location of the meeting, provides information before the meeting when asked, gives a choice as to with whom she wants the appointment, offers to change the terms and conditions of the loan according to her needs and gives a business card to “call anytime”. In the low opportunity situation the bank employee does none of this, and refuses or withstands attempts from the student to gain control of the service. We made efforts to not manipulate the friendliness of the bank employee: she was courteous.
and polite, both in offering or refusing opportunities for control to the customer. A pretest confirmed that respondents perceived no difference in politeness of the bank employee.

Apart from the intended manipulations of conversational elements, all scenes in all eight scenarios were (visually) identical: actors, surroundings, clothes, posture and facial expression. The outcome was also not manipulated: in all scenarios the student received identical loan proposals, explained and handed over by the bank employee.

2.4.5 Independent and dependent measures

The questionnaire asked the participants to put themselves in the position of the customer. To facilitate this, all scale items were first person singular. All constructs were measured using 7-point Likert scales (anchored by totally disagree – totally agree). All scales can be found in Appendix 1.

Scales for desire, capacity and opportunity were included to facilitate manipulation checks. The desire scale contains 13 items adapted from the Desired Control Scale (Reid and Zeigler 1981), the Locus of Desired Control Scale (Reid, Haas and Hawkins, 1977), and the Desire for Control Scale (Burger and Cooper, 1979). The capacity scale measures the participant’s perception of his own skills, knowledge, qualities and traits to be able to influence the interaction and the terms and conditions of the loan (8 items), based on Spreitzer’s (1995) competence scale. The opportunity scale (12 items) is the mirror image of the desire scale, changing the perspective. For example: instead of “I wanted a voice in the terms and conditions of the loan” (desire scale), the item changed to “The bank employee gave me a voice in the terms and conditions of the loan” in the opportunity scale.

We adapted Matzler, Faullant, Renzl and Laiter’s (2005) satisfaction with the own performance scale to measure satisfaction with Self (5 items) and Oliver and Swan’s (1989) satisfaction scales to measure satisfaction with service provider (5 items), satisfaction with the outcome (5 items) and satisfaction with the process (5 items).

Single-item scales were included in the questionnaire to measure behavioral intentions. Because the behaviors are not mutually exclusive, participants were asked to answer all items.

Respondents were also asked to indicate any previous experience with taking a loan, whether they were bachelor or master students, their age and gender.
An experienced translator and a native speaker of English (with Dutch as second language) checked the translation of the scale items from English to Dutch, and two experienced marketing researchers reviewed and improved the questionnaire, resulting in a questionnaire which was considered suitable for its purpose.

Cronbach’s alpha coefficient was calculated to determine each scale’s internal consistency. The alpha values are: desire α=.97, capacity α=.95, opportunity α=.94, satisfaction with self α=.87, satisfaction with the provider α=.94, satisfaction with the outcome α=.94, satisfaction with the process α=.95. The scales measuring control beliefs and attitudes therefore have good internal consistency/reliability.

2.4.6 Pretest and pilot-test

In a first pretest, five students were asked to evaluate the questionnaire and report any ambiguity, vagueness or indistinctiveness/blurriness of the questions. Consequently, several items were rephrased or improved.

In a second pretest –aimed to check for confounding effects- fifteen students were asked to watch two scenarios (in which either capacity, opportunity or desire was manipulated) and report any and all differences they perceived between the two scenarios. All mentioned differences corresponded with the intended manipulation of the factors in the scenarios.

In a third pretest, twenty students watched one scenario and evaluated the realism of the scenario. For that purpose, four 7-point items were adapted from Ok (2004), Maxham III (2001) and Blodgett, Hill and Tax (1997). The participants found the video-clip to be realistic (M=5.13, SD=1.06).

In the fourth and final pretest, two participants were asked to watch one of the clips, read the questions in the questionnaire and think aloud about their answers (informal manipulation check). The transcripts of their thoughts, considerations and deliberations while watching the video clips and answering the questionnaire confirmed that the two students put themselves in the position of—and adopted the mental state of—the student in the video-clip.

In the pilot test (n=110), two scenarios in which only one factor (capacity) was manipulated were shown to 59 and 51 students each. Capacity was chosen, because we regarded the capacity for control of the participants to be the most difficult control belief to
manipulate. The results of the independent samples t-tests confirmed that capacity was manipulated successfully: participants in the high capacity condition scored significantly higher on capacity ($M=5.09$, $SD=.88$) than did participants in the low capacity condition ($M=2.94$, $SD=1.42$, $t(68.12)=13.50$, $p<0.001$). Participants in the high and low capacity condition did not score significantly different on desire or opportunity (as expected, since only capacity was manipulated in these two scenarios). The results of the pilot therefore provided support to continue with the test.

2.4.7 Manipulation checks, convergent and discriminant validity

Independent samples t-tests were performed to check whether the scenarios evoked the desired mindset of the participants. First, we checked the manipulation of desire. Desire scores were significantly higher for participants in the high desire condition ($M=5.50$; $SD=.74$) than for participants in the low desire condition ($M=2.48$; $SD=1.44$), $t(281) = -25.53$, $p<.001$, $\eta^2 = .63$. Opportunity scores were significantly higher for participants in the high opportunity condition ($M=5.02$; $SD=.74$) than for participants in the low opportunity condition ($M=2.49$; $SD=1.11$), $t(285) = -25.31$, $p<.001$, $\eta^2 = .62$. Capacity scores were also significantly higher for participants in the high capacity condition ($M=5.35$; $SD=1.03$) than for participants in the low capacity condition ($M=2.97$; $SD=1.36$), $t(355) = -19.13$, $p<.001$, $\eta^2 = .50$. The results of the t-tests and de large $\eta^2$-values demonstrate that the intended effects of the manipulations (the desired mindset of the participants) did occur and that these effects are of sufficient magnitude to provide for a meaningful test of the hypotheses of interest.

To assess discriminant validity, we conducted a series of independent samples t-tests to check whether any of the other two control beliefs contributed to a difference in the “dependent” variable (in this case, the particular manipulation check measure being analyzed). The t-test showed significant differences of desire and opportunity on capacity, of opportunity on desire and desire on opportunity, suggesting that the manipulations are confounded. We therefore evaluated whether the degree of confounding present is serious enough to impair an unambiguous evaluation of the results of the main experiment (Perdue and Summers, 1986). The eta-squared of the confounding effects on capacity are .05 (by the desire manipulation) and .01 (by opportunity), which is small (Cohen 1988), especially compared to the very large effect (.62) of the capacity manipulation. The eta-squared of the
confounding effect on desire is .01 (by opportunity), again a small effect, especially compared to the very large effect (.63) of the desire manipulation. The eta-squared of the confounding effect on opportunity is .03 (by desire), again a small effect compared to the very large effect (.50) of the opportunity manipulation. Confounding effects may be the result of true confounding variables, or the effect of a confounded or unreliable manipulation check measure (Perdue and Summers, 1986). Since the confounding effects found are also relatively small, we feel that the degree of confounding is such that the results of the main experiment can be interpreted in a straight-forward manner.

2.5 Results

After preliminary checks showed no serious violations of the assumptions of normality, linearity, homogeneity of variances, homogeneity of regression slopes, and reliable measurement of the covariates, we proceeded with testing the hypotheses with (m)ancova. Included in the test as covariates were measures for previous experience with taking a loan, bachelor/master, age and gender.

H1 and H2. To test whether (more) conflicting control beliefs lead to lower satisfaction with the outcome (H1a), lower satisfaction with the process (H1b), lower satisfaction with the service provider (H2a) and lower satisfaction with Self (H2b), we compared the scores on these four measures of satisfaction of three groups. The first group of participants had no conflicting control beliefs (a and h in table 1), the second group had 1 conflicting control belief (b, c, f and g) and the third group had 2 conflicting control beliefs (d and e). The results (see table 2) demonstrate that more conflicts between control beliefs lower all types of satisfaction. The effects are large. Hypotheses 1 and 2 are both confirmed.
### Table 2: Effects of number of conflicting control beliefs on satisfaction

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta sq.</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>(H1a) Satisfaction with the outcome</td>
<td>Number of conflicts with perceived desire for control (0, 1 or 2)</td>
<td>0 conflicts: M=4.61; SD=1.41</td>
<td>*** .15</td>
<td>Large</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 conflict: M=3.82; SD=1.41</td>
<td>2 conflicts: M=2.98; SD=1.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Covariates</td>
<td>Gender F(1,371)= .00 (ns)</td>
<td>Age F(1,371)= 1.39 (ns)</td>
<td>Previous loan F(1,371)= .42 (ns)</td>
<td>Bachelor/Master F(1,371)= .66 (ns)</td>
</tr>
<tr>
<td>(H1b) Satisfaction with the process</td>
<td>Number of conflicts with perceived desire for control (0, 1 or 2)</td>
<td>0 conflicts: M=5.02; SD=1.20</td>
<td>*** .15</td>
<td>Large</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 conflict: M=4.15; SD=1.49</td>
<td>2 conflicts: M=3.35; SD=1.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Covariates</td>
<td>Gender F(1,371)= .06 (ns)</td>
<td>Age F(1,371)= 3.86 (ns)</td>
<td>Previous loan F(1,371)= .73 (ns)</td>
<td>Bachelor/Master F(1,371)= .05 (ns)</td>
</tr>
<tr>
<td>(H2a) Satisfaction with the service provider</td>
<td>Number of conflicts with perceived desire for control (0, 1 or 2)</td>
<td>0 conflicts: M=5.02; SD=1.20</td>
<td>*** .15</td>
<td>Large</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 conflict: M=4.27; SD=1.21</td>
<td>2 conflicts: M=3.55; SD=1.29</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Covariates</td>
<td>Gender F(1,371)= .34 (ns)</td>
<td>Age F(1,371)= 4.63 * .01 Small</td>
<td>Previous loan F(1,371)= 1.48 (ns)</td>
<td>Bachelor/Master F(1,371)= .01 (ns)</td>
</tr>
<tr>
<td>(H2b) Satisfaction with Self</td>
<td>Number of conflicts with perceived desire for control (0, 1 or 2)</td>
<td>0 conflicts: M=4.86; SD=1.25</td>
<td>*** .15</td>
<td>Large</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 conflict: M=4.27; SD=1.21</td>
<td>2 conflicts: M=3.55; SD=1.29</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Covariates</td>
<td>Gender (covariate) F(1,371)= .14 (ns)</td>
<td>Age (covariate) F(1,371)= 2.20 (ns)</td>
<td>Previous loan F(1,371)= 1.77 (ns)</td>
<td>Bachelor/Master F(1,371)= .69 (ns)</td>
</tr>
</tbody>
</table>

* = p<0.05  ** = p<0.01  *** = p<0.001  (ns) = non significant

H3. To test whether conflict between **high** perceived desire for control and low perceived opportunity and/or low perceived capacity for control will result in less satisfaction with the outcome (H3a), less satisfaction with the process (H3b), less satisfaction with the service provider (H3c) and less satisfaction with Self (H3d) than conflict between **low** perceived desire for control and high perceived opportunity and/or high perceived opportunity and/or high perceived.
capacity for control, we compared the scores on these four measures of satisfaction of two groups. The first group of participants had (1 or 2) conflicts with high perceived desire for control (b, c and d in table 1); the second group had (1 or 2) conflicts with low perceived desire for control (e, f and g). The results (see table 3) demonstrate that customers experiencing conflicts with high desire are significantly less satisfied on all four measures of satisfaction. The effects are moderate to large. The hypothesis is confirmed. Covariate bachelor/master had a small to moderate effect on all types of satisfaction.

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta sq.</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>(H3a) Satisfaction with the outcome</td>
<td>1. Conflicts with high desire versus low desire</td>
<td>1: M=3.21; SD=1.42 2: M=3.89; SD=1.37</td>
<td>***</td>
<td>.14</td>
<td>Large</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>f(1,280)= 1.49</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>f(1,280)= 1.38</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous loan</td>
<td>f(1,280)= 3.09</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bachelor/Master</td>
<td>f(1,280)= 24.00</td>
<td>***</td>
<td>.07</td>
<td>Moderate</td>
</tr>
<tr>
<td>(H3b) Satisfaction with the process</td>
<td>1. Conflicts with high desire versus low desire</td>
<td>1: M=3.26; SD=1.54 2: M=4.51; SD=1.37</td>
<td>***</td>
<td>.26</td>
<td>Large</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>f(1,280)= 3.04</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>f(1,280)= .34</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous loan</td>
<td>f(1,280)= 1.89</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bachelor/Master</td>
<td>f(1,280)= 34.10</td>
<td>***</td>
<td>.10</td>
<td>Moderate</td>
</tr>
<tr>
<td>(H3c) Satisfaction with the service provider</td>
<td>1. Conflicts with high desire versus low desire</td>
<td>1: M=3.26; SD=1.54 2: M=4.55; SD=1.29</td>
<td>***</td>
<td>.27</td>
<td>Large</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>f(1,280)= 2.67</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>f(1,280)= .14</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous loan</td>
<td>f(1,280)= .94</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bachelor/Master</td>
<td>f(1,280)= 34.33</td>
<td>***</td>
<td>.10</td>
<td>Moderate</td>
</tr>
<tr>
<td>(H3d) Satisfaction with Self</td>
<td>1. Conflicts with high desire versus low desire</td>
<td>1: M=3.97; SD=1.33 2: M=4.13; SD=1.23</td>
<td>**</td>
<td>.05</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>f(1,280)= 3.77</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>f(1,280)= .22</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous loan</td>
<td>f(1,280)= .00</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bachelor/Master</td>
<td>f(1,280)= 10.94</td>
<td>***</td>
<td>.03</td>
<td>Small</td>
</tr>
</tbody>
</table>

* = p<0.05  ** = p<0.01  *** = p<0.001  (ns) = non significant

Table 3 Effects of conflicts with high or low desire for control on satisfaction
H4. To test whether situations of conflict (between perceived desire for control and perceived opportunity and/or perceived capacity for control) result in lower (H4a) satisfaction with the outcome, lower (H4b) satisfaction with the process, lower (H4c) satisfaction with the service provider and lower (H4d) satisfaction with Self than situations of no conflict (between perceived desire for control and perceived opportunity and/or perceived capacity for control), we compared the scores on these four measures of satisfaction of three groups. The first group of participants had (1 or 2) conflicts with high perceived desire for control (b, c and d in table 1); the second group had (1 or 2) conflicts with low perceived desire for control (e, f and g) and the third group had no conflicts with desire for control (a and h in table 1). The results (see table 4) demonstrate that customers experiencing conflicts with high desire are significantly less satisfied on all four measures of satisfaction than customers experiencing no conflicts with desire for control. The results also demonstrate that customers experiencing conflicts with low desire are significantly less satisfied on all four measures of satisfaction than customers experiencing no conflicts with desire for control. The effects are moderate to large. The hypothesis is confirmed. Covariate bachelor/master had a moderate effect on all types of satisfaction.
### Table 4 Effects on satisfaction of conflicts with high desire, conflicts with low desire or no conflicts with desire

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta sq</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>(H4a) Satisfaction with the outcome</td>
<td>1. Conflicts with high desire versus 2. Conflicts with low desire 3. No conflicts</td>
<td>1: M=3.21; SD=1.42 2: M=3.89; SD=1.37 3: M=4.61; SD=1.41</td>
<td>***</td>
<td>.17</td>
<td>Large</td>
</tr>
<tr>
<td>Covariates</td>
<td></td>
<td>Gender</td>
<td>F(2,379)=.66</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Age</td>
<td>F(2,379)=1.02</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Previous loan</td>
<td>F(2,379)=3.37</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bachelor/Master</td>
<td>F(2,379)=21.89</td>
<td>***</td>
<td>.05</td>
</tr>
<tr>
<td>(H4b) Satisfaction with the process</td>
<td>1. Conflicts with high desire versus 2. Conflicts with low desire 3. No conflicts</td>
<td>1: M=3.36; SD=1.54 2: M=4.51; SD=1.37 3: M=5.02; SD=1.20</td>
<td>***</td>
<td>.28</td>
<td>Large</td>
</tr>
<tr>
<td>Covariates</td>
<td></td>
<td>Gender</td>
<td>F(2,379)=1.73</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Age</td>
<td>F(2,379)=1.13</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Previous loan</td>
<td>F(2,379)=.53</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bachelor/Master</td>
<td>F(2,379)=34.47</td>
<td>***</td>
<td>.08</td>
</tr>
<tr>
<td>(H4c) Satisfaction with the service provider</td>
<td>1. Conflicts with high desire versus 2. Conflicts with low desire 3. No conflicts</td>
<td>1: M=3.36; SD=1.54 2: M=4.55; SD=1.29 3: M=5.02; SD=1.20</td>
<td>***</td>
<td>.29</td>
<td>Large</td>
</tr>
<tr>
<td>Covariates</td>
<td></td>
<td>Gender</td>
<td>F(2,379)=.41</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Age</td>
<td>F(2,379)=.32</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Previous loan</td>
<td>F(2,379)=.12</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bachelor/Master</td>
<td>F(2,379)=34.58</td>
<td>***</td>
<td>.08</td>
</tr>
<tr>
<td>(H4d) Satisfaction with Self</td>
<td>1. Conflicts with high desire versus 2. Conflicts with low desire 3. No conflicts</td>
<td>1: M=3.97; SD=1.33 2: M=4.13; SD=1.23 3: M=4.86; SD=1.25</td>
<td>***</td>
<td>.08</td>
<td>Moderate</td>
</tr>
<tr>
<td>Covariates</td>
<td></td>
<td>Gender</td>
<td>F(2,379)=.81</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Age</td>
<td>F(2,379)=.20</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Previous loan</td>
<td>F(2,379)=.27</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bachelor/Master</td>
<td>F(2,379)=10.17</td>
<td>**</td>
<td>.08</td>
</tr>
</tbody>
</table>

* = p<0.05  ** = p<0.01  *** = p<0.001  (ns) = non significant

Using the results of table 4, we are now able to compare satisfactions for three different situations: the situation in which capacity and/or opportunity for control are lower than desired (situation 1), the situation in which capacity and opportunity equal desire for control (situation 2) and the situation in which capacity and/or opportunity are higher than desired.
Table 5 shows that having less capacity and/or opportunity for control than desired is detrimental to satisfaction, but having more capacity and/or opportunity for control than desired also lowers satisfaction.

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Situation 1 Cap/Opp &lt; Desire</th>
<th>Situation 2 Cap/Opp = Desire</th>
<th>Situation 3 Cap/Opp &gt; Desire</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Satisfaction with the outcome</td>
<td>M=3.21</td>
<td>M=4.61</td>
<td>M=3.89</td>
</tr>
<tr>
<td>(b) Satisfaction with the process</td>
<td>M=3.26</td>
<td>M=5.02</td>
<td>M=4.51</td>
</tr>
<tr>
<td>(c) Satisfaction with the service provider</td>
<td>M=3.26</td>
<td>M=5.02</td>
<td>M=4.55</td>
</tr>
<tr>
<td>(d) Satisfaction with Self</td>
<td>M=3.97</td>
<td>M=4.86</td>
<td>M=4.13</td>
</tr>
</tbody>
</table>

Cap=perceived capacity for control
Opp=perceived opportunity for control
Desire=perceived desire for control

Table 5 Satisfactions in situations with less, equal or more capacity and/or opportunity for control than desired

H5 and H6: To test whether the higher the number of conflicts between control beliefs, the higher the intention to complain (H5a), the intention to seek help (H5b), the intention to switch to another provider (H5c) and the lower the intention to accept the service (H6a), the intention to be loyal (H6b) and the intention to engage in positive word of mouth (H6c), we compared the scores on these 6 behavioral intentions of three groups. The first group had no conflicting control beliefs (a and h in table 1), the second group had 1 conflicting control belief (b, c, f and g) and the third group had 2 conflicting control beliefs (d and e). The results (see table 6) demonstrate that the number of conflicts has a positive effect on (a) intention to complain, (b) intention to seek help and (c) intention to switch, and a negative effect on (d) intention to accept the service, (e) loyalty and (f) intention to engage in positive word of mouth. The effects are small to large. Hypotheses 5 and 6 are both accepted. There are small effects of covariates age and bachelor/master.
<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta sq.</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>(H5a) Intention to complain</td>
<td>Number of conflicts with perceived desire for control</td>
<td>0 conflicts: $M=4.05; SD=1.78$</td>
<td>1 conflict: $M=4.58; SD=1.77$</td>
<td>2 conflicts: $M=3.27; SD=1.92$</td>
<td>*** .05</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$F(2,371)=11.36$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covariates</td>
<td>Gender</td>
<td>$F(1,371)=1.60$</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>$F(1,371)=2.38$</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous loan</td>
<td>$F(1,371)=.95$</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bachelor/Master</td>
<td>$F(1,371)=.44$</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(H5b) Intention to seek help</td>
<td>Number of conflicts with perceived desire for control</td>
<td>0 conflicts: $M=4.53; SD=1.68$</td>
<td>1 conflict: $M=4.98; SD=1.61$</td>
<td>2 conflicts: $M=4.94; SD=1.66$</td>
<td>*** .02</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$F(2,371)=4.35$</td>
<td></td>
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</tr>
<tr>
<td>Covariates</td>
<td>Gender</td>
<td>$F(1,371)=.06$</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>$F(1,371)=5.53$</td>
<td>*</td>
<td>.01</td>
<td>Small</td>
</tr>
<tr>
<td></td>
<td>Previous loan</td>
<td>$F(1,371)=2.11$</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bachelor/Master</td>
<td>$F(1,371)=6.21$</td>
<td>*</td>
<td>.01</td>
<td>Small</td>
</tr>
<tr>
<td>(H5c) Intention to switch</td>
<td>Number of conflicts with perceived desire for control</td>
<td>0 conflicts: $M=2.48; SD=1.23$</td>
<td>1 conflict: $M=3.22; SD=1.69$</td>
<td>2 conflicts: $M=3.84; SD=1.40$</td>
<td>*** .10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$F(2,371)=22.06$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covariates</td>
<td>Gender</td>
<td>$F(1,371)=2.22$</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Age</td>
<td>$F(1,371)=.01$</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous loan</td>
<td>$F(1,371)=1.81$</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bachelor/Master</td>
<td>$F(1,371)=8.71$</td>
<td>(ns)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 6: Effects of number of conflicting control beliefs on behavioral intentions

<table>
<thead>
<tr>
<th>(H6a) Intention to accept the service</th>
<th>Number of conflicts</th>
<th>Covariates</th>
<th>p-value</th>
<th>Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>with perceived desire for control</td>
<td></td>
<td>Gender: F(1,371) = 3.53</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Age: F(1,371) = .82</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Previous loan: F(1,371) = .16</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bachelor/Master: F(1,371) = .94</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td>(H6b) Loyalty</td>
<td></td>
<td>Gender: F(1,371) = 3.53</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td>with perceived desire for control</td>
<td></td>
<td>Age: F(1,371) = .82</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Previous loan: F(1,371) = .16</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bachelor/Master: F(1,371) = .94</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td>(H6c) Intention to engage in positive word of mouth</td>
<td>Number of conflicts</td>
<td>Covariates</td>
<td>p-value</td>
<td>Effect Size</td>
</tr>
<tr>
<td>with perceived desire for control</td>
<td></td>
<td>Gender: F(1,371) = 3.53</td>
<td>(ns)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Age: F(1,371) = .82</td>
<td>(ns)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Previous loan: F(1,371) = .16</td>
<td>(ns)</td>
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<tr>
<td></td>
<td></td>
<td>Bachelor/Master: F(1,371) = .94</td>
<td>(ns)</td>
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</table>

* = p<0.05  ** = p<0.01  *** = p<0.001  (ns) = non significant
2.6. Discussion and implications

2.6.1 Conclusions and theoretical implications

Previous research assumed that the positive effect of control is a universal and simple effect: more control is always better (having more opportunity and/or capacity for control always leads to positive attitudes and behavior). This study demonstrates that the effect of capacity and opportunity is not always positive because the effect depends on desire for control. Customers having the desired level of opportunity and capacity for control are most satisfied (with self, the service provider, service process and service outcome); customers having more opportunity and capacity for control than desired are less satisfied and customers having less opportunity and capacity for control than desired are least satisfied. Consistency with desire also influences behavior: consistency with desire increases the strength of positive behavioral intentions (like loyalty and positive word of mouth) and conflict with desire increases the strength of negative behavioral intentions (like complaining and switching). The main conclusion of this study is therefore that the effect of opportunity and capacity for control is conditional and more complex: more control is not always better: it is better when it is desired, but worse when it is not desired.

Most previous research assumed that control is always beneficial because it serves a basic, innate, universal human need (Hui and Bateson, 1991; Skinner, 1996; Schutz, 1966; Ward and Barnes, 2001; Heckhausen, 2004; Mehrabian and Russell, 1974). Although individual variations in desire for control have been suggested in literature (Greenberger, 1982; Staw and Ross, 1985; Burger, 1992; Dabholkar, 1996), this study contributed to existing research by demonstrating the effect of these variations (on customer attitudes and behavior in a service context) and by demonstrating the mechanism by which effects occur (the (in)consistency of desire with capacity and opportunity for control). Future research should acknowledge variations in, and the pivotal role of desire for control by including (inconsistency with) the desire for control in conceptualizations and measurements of control.

The results reveal two other interesting findings. Hypotheses H1 and H2 show an effect of conflicting control beliefs on satisfaction with the outcome although the outcome was identical in all scenarios and only the service process (the interaction) was manipulated. This suggests that (dis)comfort resulting from (in)consistent control beliefs in the service process also has an effect on the attitude towards the outcome of that process. Furthermore, the
results of hypotheses H1 and H2 showed effects of conflicting control beliefs on satisfaction with Self. To the best of our knowledge, this highlights for the first time that service customers do not only evaluate the service provider’s contribution to the control situation, but also their own contribution.

This study also contributes to the emerging literature on consumer empowerment and co-creation of value. A key assumption of both streams of research is that customers always want control and always benefit from being offered control (Bonnemaizon, Cova and Louyot, 2007; De negri-Knott, 2006). This study nuances this key assumption: control is not always wanted, and offering control has negative effects if it is not desired, but positive effects if it is. For the advocates of customer empowerment and customer co-creation, this study signifies that enhancing customer control of a service may also, and maybe even primarily mean: giving the customer the option to control or not to control the service—depending on his or her desire for control. Services marketing should not focus on finding more new and innovative ways to give more control to the customer, but on new and innovative ways to satisfy customers with different control needs. The challenge is therefore in imagining and developing new formats for interpersonal (customer and service personnel) and human-environment (customer and service setting) interactions that enable and facilitate the appraisal and subsequent satisfaction of these differences in desire for control. This may indeed prove to be a challenge since it involves aligning service firm, service personnel and customer. Firms require operational flexibility to be able to deliver standard services (no customer control), self-service (limited customer control) and customized services (full customer control) at the same time to different customers. Service personnel needs psychological flexibility and different skills and competences to cater to customers with different control needs. Customers may even have different control needs during different phases of the service process, for instance a high desire to control the specification of the service, but no desire to control the realization and outcome of the service. Imagining and developing these new formats while not compromising on service validity (is the service specified to accurately reflect what the customer wants?) and service reliability (is the specified service correctly provided? (Van Raaij and Pruyn, 1998)) is therefore the challenge for service researchers.
2.6.2 Managerial implications

For (service-) managers, focused on delivering effective (satisfaction, loyalty) and efficient (time, energy, costs) service to customers, the results of this study have two important implications. The first is that increasing opportunities for control may not always be the best approach for service providers to take. It is important for the service provider to ascertain the customer’s desire for control. This may be achieved by asking questions like: “do you have any specific wishes with regard to the service” or “would you like to be involved in all decisions with regard to the service?” If the response is affirmative, it may require the service provider to spend more time, energy and money to satisfy the customer—but at a bonus of having a more satisfied, loyal customer. If, on the other hand, the customer does not want control, costs can be prevented by delivering the standard service without jeopardizing the customer’s satisfaction. Alternatively, a service provider may offer different “packages” in which the customer is offered more or less control of the service. An example might be a bank offering three ways for customers to handle their investment portfolio. The first package is the customer himself handling all his assets, choosing between all available stocks and buying or selling at his own discretion. A customer with high desire and capacity for control may prefer this option. A second package may involve the bank’s investment advisor advising the customer on his decisions. A customer with high desire, but low capacity for control may prefer this option. A third option may be the bank’s investment advisor taking all decisions, based on the customer’s “profile” (low/high risk/yield, long/short term etc.). A customer with no desire and no capacity for control may prefer this third package. These strategies, however, may only prove effective if the customer is able to effectively ascertain and communicate his own desire for control. Due to limitations in customer self-knowledge and communications skills, this may not always be the case.

A second managerial implication is that the findings of this research suggest to managers that offering control of the service process to a customer (with a high desire for control) enhances the customer’s satisfaction with the outcome of the service as well. This may be achieved by offering choices in the service process to the customer, like “when would you like to meet?”, “where would you like to meet?”, “who would you like to talk to?”, “would you like me to tell you about the appointment?”

The results are also important for consumers. Consumers satisfy their needs from a series of interpersonal (service personnel and consumer) and human-environment
(consumer and service setting) interactions during the service encounter. This research demonstrates that in these interactions conflicting control beliefs may create discomfort and dissatisfaction with Self and with the service provider. Customers who are (made) aware of these negative effects may take steps to ensure the opportunity and capacity for control matches their desire for control. This may achieve this by selecting an appropriate service provider, by gathering information about a service or by introspection (e.g., “do I really want to be consulted about every aspect of this service?”). This increases the chance of matching desire with capacity and opportunity for control, thus making the service a more pleasant, satisfying experience for the customer.

2.7 Limitations and future research

While the results of this study have relevant theoretical and useful managerial implications, there are some limitations. First, although the use of video clips may have increased the level of participants’ involvement in the situation beyond the levels ordinarily achieved by written scenarios, the use of scenarios still means the situation was imagined only, not experienced directly. Future research should therefore be conducted in more natural settings. Second, while our use of a homogeneous student sample is a legitimate approach in experimenting (Mitchell, 1985), future studies should utilize more representative samples to increase external validity. Third, only one service (banking) was investigated. The external validity of the research could also be improved by focusing on the role of desire for control in other contexts, on different types of services (standard services, self-services, customized services or time-critical services) or during different phases in the service process (input, throughput and output phase). Fourth, the effects of desire for control in an initial service context have been studied. Some authors (Devasagayam and DeMars, 2003; Hui and Toffoli, 2002) suggest that the desire for control may even be more important in situations where customers have perceived a loss of control, such as a service recovery. Future studies should consider the role of desire for control in a service recovery. Fifth, the effects of control beliefs may be different in different cultures. For instance, Mueller and Thomas (2000) linked perceptions of control to cultural dimensions such as individualism and uncertainty avoidance (Hofstede, 1980), suggesting that the value of control is different in countries which score different on these cultural dimensions. Future studies should investigate whether control beliefs have different (stronger or weaker or
opposite) effects on customer attitudes and behaviors in different cultures. Sixth, a managerial implication of this study is that it is a good idea to ascertain the customer’s desire for control by asking him questions. It is, however, unknown whether customers are able to assess and communicate their desire for control. Future research should investigate whether and how customers assess and communicate their desire for control. Seventh, this study has found differential effects of differences in desire for control, but makes no statements about the causes or motives of these differences in desire. These motives may be positive (e.g. enjoyment of having no control) or negative (e.g. fear of being overburdened by the responsibility). Future studies should investigate which motives are dominant in services customers, and whether service firms would be well-advised to either adapt to negative motives (“We will take care of this for you”) or help customers overcome negative motives (“we will help you take care of this”).

2.8 References


Flammer, A. (1996), Entwicklungsstheorien, Huber, Bern, Switzerland


Kolos, K., and Z. Kenesei (2008), “The Role of Emotions and Perceived Control in the


There’s more to control than having a choice: the effect of behavioral, cognitive and decisional control in a service recovery context

3.1 Abstract
Previous research on the effects of customer control in service recovery has found that having a choice between recovery outcomes has a positive effect on customer satisfaction with the firm’s complaint handling. Studies in law and health psychology, however, suggest that there’s more to control than just having a choice in outcomes (decisional control). More specifically: there are three types of control (decisional, behavioral and cognitive control) and two objects of control (the outcome and the process). This study aims to fertilize the study of the role of control in service recovery by adapting this more holistic view of control.

The results of a survey demonstrate that behavioral, cognitive and decisional control of the service recovery process and outcome contribute to perceived justice and satisfaction of complaining customers.

3.2 Introduction
Control is the individual’s capacity to manipulate, influence or predict some aspect of the environment (Perry, Hladkyj, Pekrun, Clifton and Chipperfield, 2005). Several authors (e.g., Gelbrich and Rosch, 2011; Namasivayam, 2004; Namasivayam and Hinkin, 2003) have called for more attention to matters of control because “it is possible that when consumers perceive control in the exchange, their perception of justice increases” (Namasivayam and Mount, 2006, p. 504).

To date however, only few studies have considered the effect of customer control of the service recovery (Kolos and Kenesei, 2008). These studies have conceptualized customer control as having a choice between recovery options, and found that choice enhances recovery satisfaction in a traditional retail setting (Chang, 2006), in a service setting (Kolos and Kenesei, 2008) and in an online context (Chang, Lee and Teng, 2008), even more so if the recovery options are explained (Mattila and Cranage, 2005).
Literature in health psychology however suggests that there is more to control than “having a choice” (decisional control). More specifically: it is only one type of control: other types of control (behavioral control and cognitive control) also have positive effects (Averill, 1973). Behavioral control and decisional control should therefore be included in conceptualizations of control.

Furthermore, literature in the context of law suggests that control is not just about outcomes, but also about the process used to decide on these outcomes. Disputants who have both process and outcome control perceive the outcome and the procedure as more fair (Lind and Tyler, 1988). Conceptualizations of control should therefore not just be about outcomes, but also about the process.

The purpose of this study is to fertilize service recovery research with these insights from the study of control in the domains of health psychology and law. The research question is: What is the effect of three types of control (behavioral, cognitive and decisional) of two objects of control (the process and the outcome of service recovery) on customer perceptions of (distributive, interactional and procedural) justice in service recovery? The study aims to contribute to existing research by demonstrating that control is not just about a choice of outcomes, but also about the opportunity to act upon, and interpret the situation. This more holistic view of control may contribute to the explanation and understanding of customer evaluations of the service recovery process.

In the next sections we will briefly introduce the service recovery literature before discussing outcome and process control (as objects of control) and behavioral, cognitive and decisional control (as types of control) in more detail.

3.3 Service recovery outcomes: justice perceptions

Service recovery (the organization’s handling of customer complaints) is a crucial success factor for organizations (Gelbrich and Roschik, 2011). Many studies have therefore addressed the effects of service recovery on post-complaint customer behavior (e.g., Maxham III and Netemeyer, 2002; De Ruyter and Wetzels, 2000). These studies generally distinguish three types of organizational responses in service recovery: responses in terms of compensation (the refunds, replacements, and/or discounts, which organizations provide to complainants), responses in terms of employee behavior (empathic, friendly, responsible, careful, and informative behavior of the service person), and responses in terms of
organizational procedures (policies and structures a company has in place to provide a smooth complaint-handling process). This study focuses on organizational procedures, more specifically: the role and effects of customer control of the service recovery as an aspect of procedure.

Most studies on the role of control in service recovery model an effect of control on (recovery) satisfaction (Chang, 2006; Kolos and Kenesei, 2008; Chang, Lee and Teng, 2008; Mattila and Cranage, 2005). Recent research, however, suggests that the effect of organizational responses on post-complaint satisfaction is completely mediated by justice perceptions (Gelbrich and Roschk, 2011; Karande, Magnini and Tam, 2007; Maxham III and Netemeyer, 2003). We therefore expect control of the service recovery to have an effect on justice perceptions, and not directly on post-complaint satisfaction.

There are three types of justice perceptions: distributive justice (the perceived fairness of the outcome), interactional justice (the perceived fairness of the interaction), and procedural justice (the perceived fairness of the procedure)(Gelbrich and Roschk, 2011; Orsingher, Valentini and De Angelis, 2010; Kim, Wang and Mattila, 2010).

One study on the role of control in service recovery modeled an effect of control on (only) procedural justice (Tax, Brown and Chandreshkan, 1998). There is, however, evidence that organizational responses have effects on all justice perceptions (Gelbrich and Roschk, 2011; Liao, 2007; Homburg and Furst, 2005; Davidow, 2003; Smith, Bolton and Wagner, 1999; Goodwin and Ross, 1992). This may be caused by the fact that customers confuse procedural with interactional justice (Goodwin and Ross, 1992), or because of a halo-effect (for instance a positive outcome affecting interactional and procedural justice)(Gelbrich and Roschk, 2011). Customers may also consider a positive complaint outcome as a friendly act of the organization or they may be unable to clearly distinguish between a favorable outcome and respectful treatment (Gelbrich and Roschk, 2011). This suggests that control (as an organizational response) may not only have an effect on procedural justice, but also on distributive and interactional justice. This study will therefore explore the effects of control of the service recovery on all three justice perceptions (distributive, interactional and procedural justice).
3.4 Objects of control: outcome and process

Previous studies in service recovery have conceptualized customer control as outcome control (Chang, 2006; Chang, Lee and Teng, 2008; Kolos and Kenesei, 2008; Mattila and Cranage, 2005). Research in the context of legal procedures has shown that disputants prefer procedures that provide them with both process and outcome control and also perceive such procedures as more fair (Thibaut and Walker, 1978; Colquitt, 2001; Shapiro and Brett, 1993; Folger and Cropanzano, 1998; Lind and Tyler, 1988; Folger, 1977).

The only study in service recovery combining both process and outcome control (Tax, Brown and Chandreshkan, 1998) did not find a positive effect on procedural justice. This may be due to a limited conceptualization of process control as “having the freedom to communicate views on the decision process” where disputants have no chance to influence or change the procedure, but only have a chance to “communicate their views”. Since then, however, the conceptualization of process control is broadened to be more applicable to situations where there is no third party, or the disputants themselves decide on the procedure (like mediation). Process control came to include influence on the timing, order and participants of the procedure. Moreover, research showed that “having the freedom to communicate views on the decision process” is insufficient to ensure process control because people reject procedures that only appear to offer process control but that do not provide any real input into the decision-making process (Folger, 1977; Folger, Rosenfield and Robinson, 1983). They also want to perceive that their views have had an impact (the voice effect). If not, a frustration effect may occur (Lind and Tyler, 1988; Lind, Kamfer and Early, 1990).

Similarly, outcome control is more than “Having freedom to accept or reject the decision outcome” (as proposed by Tax, Brown and Chandreshkan, 1998). Legal research has broadened the conceptualization of outcome control to include not just the legal status of the decision (whether it is binding or not, i.e., whether the disputant has the freedom to accept or reject the decision made by others (like a judge)), but also influence on the material content of the decision. Moreover, research showed that procedures that allow disputants this kind of influence on (or participation in) the development of the material decision perceive more procedural justice (Shapiro and Brett, 1993; Colquitt, 2001).

Literature on the role of control in legal settings therefore suggests that control should be conceptualized as referring to a degree of influence on two objects of control in a dispute
or complaint-handling procedure: the process and the outcome. Literature furthermore suggests that control of both objects of control has a positive effect on perceptions of justice.

### 3.5 Types of control: behavioral, cognitive and decisional

Previous studies in service recovery have conceptualized customer control as having a choice between recovery options (Chang, 2006; Chang, Lee and Teng, 2008; Kolos and Kenesei, 2008; Mattila and Cranage, 2005). Literature on control in the context of healthcare however suggests that there is more to perceived control than "having a choice". Control is a multidimensional construct composed of three different types of control: behavioral control (the opportunity to directly influence or modify the objective characteristics of a threatening event), cognitive control (the ability to cognitively interpret and appraise the threatening event in a more benign way), and decisional control (the opportunity to choose between various courses of action)(Averill, 1973). Only this last type of control (decisional control) is covered by existing conceptualizations of control in service recovery literature. We will briefly discuss these three types of control.

#### 3.5.1 Behavioral control

Behavioral control is the sense of control gained when one is able to take action and directly affect, modify or regulate a threatening or stressful event (Poor and Kim, 2011). A situation lacking in behavioral control is—for instance—a customer without television signal, on hold with his cable company's phone support. The customer cannot speed up his wait or talk to anyone. All he can do is hang up, but that would nullify the time he has already waited.

Essentially, behavioral control exists when individuals perceive the ability to bring the environment in line with their wishes (Rothbaum, Weisz and Snyder, 1981). This may be achieved for instance by being able to prevent a threatening event from happening entirely, terminate it prematurely or modify it by some form of direct action (e.g., avoidance, escape, attack). It may also be achieved by being able to control such things as who administers the threatening stimulus and how and when the stimulus will be encountered (Averill, 1973; Miller, 1979).
Most—if not all—studies on behavioral control show that it ameliorates the negative effects of a threatening event (Bateson, 2000). Knowing that one has a behavioral response available that can reduce the aversiveness of the event lessens pre-event anxiety and anticipatory physiological arousal, as well as mitigates the disruptive post-event effects of an aversive event (Fiske and Taylor, 1991; Thompson, 1981). We therefore expect that behavioral control of the process and outcome of the recovery (of the response to the aversive event of a failed service) mitigates the post-event effects (justice perceptions).

H1 Behavioral control of the service recovery process has a positive effect on (a) distributive, (b) interactional and (c) procedural justice

H2 Behavioral control of the service recovery outcome has a positive effect on (a) distributive, (b) interactional and (c) procedural justice

3.5.2 Cognitive control

Cognitive control is the sense of control gained when one is able to interpret and appraise the threatening event in a more benign way. It involves the processing of information in such a manner as to reduce stress. Providing information about waiting time, for instance, reduces the stress and anxiety of waiting through the increased sense of cognitive control (Hui and Zhou, 1996). Similarly, providing information about blood donation reduces the stress of blood donors in a blood bank (Mills and Krantz, 1979).

Essentially, cognitive control exists when individuals perceive the ability to bring oneself in line with the environment by for instance adjusting expectations to fit outcomes and interpreting situations in ways that allow for understanding and acceptance (Dion, 2004; Fiske and Taylor, 1991). This may be achieved for instance by receiving information about a situation which serves to increase the predictability of the event and enhances certainty in anticipation (Averill, 1973; Tangsrud and Smith, 2000). It may also be achieved by reinterpreting and re-evaluating the information in such a way that the person would perceive the situation as more favorable (Averill, 1973; Hui and Toffoli, 2002), for instance by scaling back expectations (Tangsrud and Smith, 2000).

Many studies have shown that cognitive control helps individuals to appraise the situation in a more positive way (e.g., Hui and Tse, 1996; Fiske and Taylor, 1991; Leventhal and Everhart, 1979; Mills and Krantz, 1979; Langer, Janis and Wolfer, 1975). Knowing that one has a cognitive strategy lessens anticipatory anxiety, reduces the negative effect of the
threatening event and improves post-event effects (Thompson, 1981). We therefore expect that cognitive control of the process and outcome of the recovery (the response to the aversive event of a failed service) mitigates the post-event effects (justice perceptions).

**H3**  
Cognitive control of the service recovery process has a positive effect on (a) distributive, (b) interactional and (c) procedural justice

**H4**  
Cognitive control of the service recovery outcome has a positive effect on (a) distributive, (b) interactional and (c) procedural justice

### 3.5.3 Decisional control

Decisional control is the sense of control gained when one is able to decide on important aspects of an experience. It is having a choice in the selection of outcomes and goals (Averill, 1973). Blood donors, for instance, in a blood bank experience more control and less stress and anxiety when they are offered a choice on which arm is to be used (Mills and Krantz, 1979).

Decisional control is not necessarily the result of the number of options or alternatives available to an individual. Restricting a consumer’s choice set to fewer alternatives may make it easier to decide and may leave consumers more satisfied with the decision they made (Iyengar and Lepper, 2000). Furthermore, it is not the objective range of choice which determines whether or not a person experiences decisional control; rather, it is the degree to which he or she agrees or identifies with the choices he or she does have, no matter how limited (Averill, 1973; Cornelius and Averill, 1980). Two negative alternatives are not perceived as choice, whereas two positive alternatives or a positive and a negative alternative are considered sufficient to provide a choice (Kruglanski and Cohen, 1974; Harvey and Harris, 1975).

Many studies in different contexts have demonstrated the positive effects of having a choice (e.g., Stotland and Blumenthal, 1964; Perlmuter and Monty, 1979; Glass and Singer, 1972; Langer and Rodin, 1976; Rodin and Langer, 1977; Mills and Krantz, 1979). In a service context, research has demonstrated that giving more choice to the consumer leads to positive emotional responses (Hui and Bateson, 1991; Cranage and Sujan, 2004) and that offering customers a choice to co-produce the service leads to higher satisfaction levels (Bendapudi and Leone, 2003). We therefore expect that decisional control of the process
and outcome of the recovery (the response to the aversive event of a failed service) mitigates the post-event effects (justice perceptions).

H5 Decisional control of the service recovery process has a positive effect on (a) distributive, (b) interactional and (c) procedural justice

H6 Decisional control of the service recovery outcome has a positive effect on (a) distributive, (b) interactional and (c) procedural justice

3.6 Conceptual Model

To be able to reliably determine the effects of behavioral, cognitive and decisional control on justice, two established determinants of procedural justice are included in the model: facilitation and timeliness. Facilitation is the ease of engaging in a complaint process (Orsingher, Valentini and De Angelis, 2010; Tax, Brown, and Chandrashekar, 1998; McCole, 2004). Timeliness is the perceived speed of the company’s response (Davidow, 2000; Kim, Wang and Mattila, 2010). Literature suggests that both facilitation and timeliness have positive effects on justice perceptions (Gelbrich and Roschk, 2011). In the conceptual model (figure 1) these effects are displayed with thinner arrows.

To complement the model, demonstrate its nomological validity and show the relevance for marketing practice, we added the effects of justice perceptions on recovery satisfaction (the evaluation of the firm’s complaint handling) and cumulative satisfaction (the overall evaluation of the firm) and ultimately—loyalty (the customer’s intention to continue to do business with the firm) and positive word of mouth (the customer’s intention to recommend the company to others) (Gelbrich and Roschk, 2011; Orsingher, Valentini and De Angelis, 2010; Kim, Wang and Mattila, 2010). In the conceptual model (figure 1) these effects are also shown with thinner arrows.
3.7 Method

3.7.1 Research design

Namasivayam and Mount (2006) suggest that studies investigating the relationship between control and justice should use survey instruments specifically designed for a field study and should employ more sophisticated methodology such as structural equation modeling to find more intricate relationships. Gelbrich and Roschk (2011) found in their meta-analysis of service recovery research that quasi-experimental studies and studies with student samples tend to systematically overestimate (underestimate) the effect of distributional (procedural) justice. We therefore conducted a field study using survey instruments to collect data from consumers, which were subsequently analyzed with structural equations modeling.

3.7.2 Procedure and sample

Respondents in our survey were members of an (unpaid, voluntary) online consumer panel of a Dutch market research company. Calls to participate in the research project and fill in the online questionnaire were sent by email. 273 questionnaires were returned, of which 260 were valid without missing values. Of the respondents, 102 (39.2%) were male. The average age of the respondents was 38 years old (minimum 15, maximum 83) and they stated primary school (3 respondents; 1.3%), secondary school (17; 6.5%), middle-level vocational education (40; 15.4%), higher vocational education (81; 31.2%) and university (119; 45.8%) as their highest level of education.

The questionnaire started by asking the respondent to relive and remember his/her most recent complaint experience. To help the respondent relive the complaint experience, we asked when this complaint experience had taken place, what the complaint was, about which product or service the complaint was and which manufacturer or service provider was involved. 85% of the complaints were less than 6 months old, 6% was between 6 months and a year old, 8% was between 1 and 2 years and 1% was 2 years old. This suggests that the complaints were fairly recent. 160 complaints were about services, 100 complaints about products (see table 1). Notable were a complaint about a mouse scaring a customer's girlfriend in a drugstore, and a complaint about unsuccessful plastic surgery.
3.7.3 Measurement

The introduction of the questionnaire informed the respondents that the research is for academic purposes only, that anonymity and confidentiality are guaranteed, that there are no right or wrong answers and that we would like them to answer questions as honestly as possible (Chang, van Witteloostuijn and Eden, 2010).

All constructs were measured with multiple items using 7-point Likert-type scales anchored by totally disagree – totally agree. Cronbach’s alpha’s are between .84 and .96. An overview of all constructs and their reliability is provided in Appendix 3.

Behavioral Control process is the ability to take action and directly affect, modify or regulate the service recovery process (Averill, 1973). We measured behavioral control of the process with a four item scale, using items from Kau and Loh (2006), Colquitt (2001), Karande, Magnini and Tam (2007) and Davidow (2000). An example is: “The firm was willing to adapt the complaint procedure to my needs”.

Behavioral Control outcome is the ability to take action and directly affect, modify or regulate the service recovery outcome (Averill, 1973). We measured behavioral control of the outcome with a four item scale, using items from Kau and Loh (2006), Colquitt (2001), Karande, Magnini and Tam (2007) and Davidow (2000). An example is: “The firm was willing to adapt the outcome of the complaint to my needs”.

Cognitive Control process is the ability to interpret and appraise the service recovery process in a more benign way (Averill, 1973). We adapted Faranda’s (2001) 7-item scale for cognitive control. An example is: “It was clear to me how the complaint procedure was”.

<table>
<thead>
<tr>
<th>Services</th>
<th>Products</th>
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<td>Internet, cable, electricity</td>
<td>Electronic equipment</td>
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<td>Clothing, accessories, make-up</td>
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<tr>
<td>Total</td>
<td>160</td>
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<td>Total</td>
<td>100</td>
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Table 1 Complaints by industry
Cognitive Control outcome is the ability to interpret and appraise the service recovery outcome in a more benign way (Averill, 1973). We adapted Faranda’s (2001) 7-item scale for cognitive control. An example is: “It was clear to me what the outcome of the complaint was”.

Decisional Control process is the ability to decide on important aspects of the service recovery process (Averill, 1973). The scale included 3 items referring to the options provided by the firm regarding the process of communicating the complaint (example item: “The firm provided me with a choice of complaint options (like face-to-face, in writing or by telephone)”.

Decisional Control outcome is the ability to decide on important aspects of the service recovery outcome (Averill, 1973). The scale included 4 items referring to the options provided by the firm regarding the outcome (example item: “The firm provided me with a choice of recovery options (like restitution or repair)”.

Timeliness is the perceived speed of the organizational response to the customer’s complaint (Kim, Wang and Mattila, 2010; Davidow, 2000) and was measured using Davidow’s (2000) three item scale (e.g. “The company responded quickly to my complaint”).

Facilitation is defined as the perceived ease of engaging in a complaint process (Orsingher, Valentini and DeAngelis, 2010; Tax, Brown, and Chandrashekaran, 1998). The construct was measured using Davidow’s (2000) three item scale (e.g. “It was easy to determine where to complaint”).

Distributive Justice is the perceived fairness of the tangible outcome of the service recovery experience (Blodgett, Hill and Tax, 1997). The construct was measured using Maxham III and Netemeyer’s (2003) three item scale (e.g. “Although the event caused me problems, the firm’s effort to fix it resulted in a very positive outcome for me”).

Interactional Justice is the perceived fairness of the manner in which the customer is treated during the service recovery experience (Smith, Bolton and Wagner, 1999; Blodgett, Hill and Tax, 1997). The construct was measured using Maxham III and Netemeyer’s (2003) four item scale (e.g. “During their effort to fix my problem, (firm) employee(s) showed a real interest in trying to be fair”).

Procedural Justice is the perceived fairness of policies, procedures, and criteria used by the organization in arriving at the outcome of the service recovery experience (Blodgett, Hill and Tax, 1997). The construct was measured using Maxham III and Netemeyer’s (2003) three
item scale (e.g. “With respect to its policies and procedures, the firm handled the problem in a fair manner”).

Recovery Satisfaction is the customer’s evaluation of the service recovery (Gelbrich and Rosck, 2011; Tax, Brown and Chandrashekaran, 1998; Maxham III and Netemeyer, 2003; Brown, Cowles and Tuten, 1996). The construct was measured using Maxham III and Netemeyer’s (2003) three item scale (e.g. “In my opinion, the firm provided a satisfactory resolution to my problem on this particular occasion”).

Cumulative Satisfaction is the customer’s evaluation of his/her accumulated experiences with the organization (e.g., Oliver, 1997; Oliver and Swan, 1989). The construct was measured using Maxham III and Netemeyer’s (2003) three item scale (e.g. “I am satisfied with my overall experience with this firm”).

Loyalty is the customer’s intention to continue to do business with an organization (De Ruyter and Wetzels, 2000). The construct was measured using Maxham III and Netemeyer’s (2003) three item scale (e.g. “I intend to visit the firm for future purchases”).

Positive Word of Mouth is the customer’s intention to spread favorable information about a company (Gelbrich and Rosck, 2011; Maxham and Netemeyer, 2002). The construct was measured using Maxham III and Netemeyer’s (2003), three-item scale (e.g. “I would recommend this firm to friends”).

The questionnaire ended with asking for the respondent’s gender, age and level of education. Respondents interested in the results could leave their email address.

Two experienced researchers in the field of consumer behavior examined the scale items for conceptual overlap (Conway and Lance, 2010). In a pre-test fifteen respondents were asked to evaluate the survey instrument and report any ambiguous, vague or unfamiliar terms (Conway and Lance, 2010). Modifications were made accordingly: some items were rephrased and some negative verbs were underlined.

3.7.4 Reliability and validity

The proposed model was analyzed with structural equations modeling following the two-step approach suggested by Anderson and Gerbing (1988). The measurement model was examined first, followed by the structural equations model. We used AMOS version 18 for the analysis.
The measurement model for the study included 54 items measuring 15 constructs. Inspection of the covariances of the error terms and the standardized residual covariances of the measurement model suggested changes to improve model fit. We followed these suggestions and removed 9 items whilst preserving the factor structure of the model and retaining at least three items per scale. This precluded removal of the second item of the 3-item facilitation scale, which had a loading of .58.

In the measurement model, a satisfactory level of validity and reliability has to be met before testing for significant relationships in the structural model (Fornell and Larcker, 1981). We therefore assessed convergent and discriminant validity and reliability of our measures (see table 2 and 3).

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<th>AVE</th>
<th>MSV</th>
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CR = Composite Reliability  
AVE = Average Variance Explained  
MSV = Maximum Shared Squared Variance  
ASV = Average Shared Squared Variance

*Table 2 Validity and Reliability*
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<td>.699</td>
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</table>

Table 3: Factor correlation matrix with square root of the AVE on the diagonal
All Composite Reliability (CR) values are above the .7 threshold, indicating reliable measures. The CR values are larger than the respective Average Variance Explained (AVE) values and all AVE values are above the threshold of .5, establishing convergent validity. Both the Maximum Shared Squared Variance (MSV) and the Average Shared Squared Variance (ASV) are smaller than the respective AVE, demonstrating discriminant validity (Hair, Black, Babin and Anderson, 2010).

3.8 Results

The resulting dataset contained 243 cases and 45 items measuring 15 constructs. We compared four structural models. Model 1 is the complete model assessing the effects of behavioral, decisional and cognitive control, facilitation and timeliness. Model 2 is the complete model plus CMF (common method factor), which controlled the complete model for common method variance (Billiet and McClendon, 2000; Bagozzi and Phillips, 1982). This second model was used for testing the hypotheses and to assess internal validity. Model 3 is the limited model plus CMF, assessing the effects of only facilitation and timeliness. This third model was compared to the second model to determine whether customer control types add to the explanation of variance in justice perceptions. To be able to assess external validity, the presentation of the results of these three models is complemented with the estimates of Gelbrich and Roschk's 2011 meta-analysis of service recovery research (model 4).

Figure 2 below shows the significant effects in the complete model plus CMF (model 2). Table 4 shows estimates of all four models.
<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Conclusion</th>
<th>Independent Variable</th>
<th>Model 1 Complete model</th>
<th>Model 2 Complete model plus CMF</th>
<th>Model 3 Limited model plus CMF</th>
<th>Model 4 Gröblich and Raschik (2018)</th>
</tr>
</thead>
<tbody>
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<td>H1a</td>
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<td>No (R² = 0.95***)</td>
<td>No (R² = 0.70***)</td>
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<td>H6a</td>
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Note: ***, **, * indicate significance levels at .001, .01, and .05 respectively.
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* p < 0.05  ** p < 0.01  *** p < 0.001  ns = non-significant

Table 4: Model estimates
Fig. 2 Significant effects in complete model plus CFM (model 2)
The overall fit of the models was satisfactory (see Table 4 for fit indices). The models performed reasonably well in explaining variances of the dependent constructs procedural, distributive and interactional justice; recovery and cumulative satisfaction and loyalty and word of mouth. The complete model plus CMF (model 2) showed some common method variance, but controlling for this systematic variance only scarcely affected the strength of the effects, and did not change their direction or significance. We continued to test our hypotheses with model 2.

Hypotheses H1 – H6 proposed effects of customer control types on distributive, interactional and procedural justice. The estimates of model 2 show significant effects on one or more justice perceptions for all combinations of types and objects of customer control except decisional control process (H5). The result of the tests of the specific parts (a, b and c) of each hypothesis are reported in the second column of table 4. Overall, Hypotheses 1, 2, 3 and 4 are partly confirmed, Hypothesis 5 is rejected and hypothesis 6 is confirmed.

Our conceptual model introduced three types of control (behavioral, cognitive and decisional) to the study of service recovery and proposed that these have positive effects on justice perceptions. The results show that all three types of control have positive effects on justice perceptions.

Our model also introduced the distinction between two objects of control (process and outcome control) and proposed that both have positive effects on justice perceptions. The results show that control of both objects (process and outcome) has positive effects (except for decisional control of the process), but on different justice perceptions. Distributive justice (the perceived fairness of the outcome), for instance, is influenced only by (behavioral, cognitive and decisional) control of the outcome, not by (behavioral, cognitive or decisional) control of the process. Another example is decisional control: decisional control of the outcome (e.g., a choice between restitution and repair) has the largest effect on justice perceptions but decisional control of the process (e.g., a choice between complaining by telephone, email, in writing or personal) has no effect. These differences between the effects of control of the process and the outcome have two implications: not measuring process or outcome control would leave out important effects, and taking them together in one construct would mask effects.
We tested for, but found no direct effects of customer control types on recovery satisfaction, cumulative satisfaction, loyalty or positive word of mouth. This confirms that the effect of organizational responses on post-complaint satisfaction is mediated by justice perceptions (Gelbrich and Roschk, 2011; Karande, Magnini and Tam, 2007; Maxham III and Netemeyer, 2003).

To determine whether customer control types add to the explanation of variance in justice perceptions, we compared the estimates of the complete model plus CMF (model 2) with the limited model plus CMF (model 3). The comparison shows that a structural model which includes customer control types (model 2) explains more variance in procedural justice ($R^2=.75$ instead of $R^2=.32$; effect size (Cohen, 1988) $f^2=6.5$ (large)), more variance in distributive justice ($R^2=.96$ instead of $R^2=.70$; effect size $f^2=1.5$ (large)) and more variance in interactional justice ($R^2=.73$ instead of $R^2=.30$; effect size $f^2=1.7$ (large)) than a structural model without customer control types (model 3).

The complete model plus CMF (model 2) also tested the effects of timeliness and facilitation on justice perceptions, and the effects of justice perceptions on satisfaction and behavioral intentions. The estimates show that facilitation has no effect on (distributive, interactional or procedural) justice. Timeliness has an effect on procedural justice. The estimates of the effects of justice perceptions on satisfaction and behavioral intentions are quite similar in size and direction to the estimates found in Gelbrich and Roschk’s (2011) study. This supports the external validity of our study. Two effects are different: whereas Gelbrich and Roschk found no effect of procedural justice on recovery satisfaction, our model found a significant effect. Whereas Gelbrich and Roschk found an effect of procedural justice on cumulative satisfaction, our model did not find a significant effect.

3.9 Conclusion and discussion

The main conclusion of this study is that there’s more to control than having a choice: behavioral, cognitive and decisional control of both the recovery outcome and recovery process are drivers of procedural, interactional and distributional justice, which in turn affect recovery and cumulative satisfaction and loyalty and positive word of mouth. It is important for complaining customers not just to have a choice between outcomes (decisional control), but also to be able to take action and personally affect the service recovery (behavioral
control) and to receive information to be able to interpret and appraise the failure and recovery in a more benign way (cognitive control). A service recovery offering these types of control is being perceived as more fair.

This conclusion has two main implications for service recovery research. First, service research should include customer behavioral, cognitive and decisional control of the service recovery process and outcome as aspects of the firm’s organizational response to customer complaints, not just decisional control of the outcome (like Chang, 2006; Kolos and Kenesei, 2008; Chang, Lee and Teng, 2008; Mattila and Cranage, 2005). Including different types of customer control contributes both quantitatively (customer control types add to the explanation of justice perceptions) and qualitatively (customer control types have different effects on justice perceptions) to existing research. Second, effects of customer control types should be modeled on procedural, interactional and distributive justice, not just on procedural justice (like Tax, Brown and Chandreshkan, 1998), and not directly on satisfaction (like Chang, 2006; Kolos and Kenesei, 2008; Chang, Lee and Teng, 2008; Mattila and Cranage, 2005).

Furthermore, the results indicate that control of the process only has effects on perceived justice of the recovery process (procedural and interactional justice), whereas control of the outcome has effects on both perceived justice of the outcome (distributive justice) and perceived justice of the process (interactional and procedural justice). This suggests a halo-effect (as suggested in earlier research: Gelbrich and Roschk, 2011), but a unidirectional one: customers perceive control of the outcome as a friendly and honest act of the service provider, but control of the procedure and interaction does not reflect on the fairness of the outcome.

Looking beyond the effects of control, at the effects of justice perceptions, our results confirm recent findings (Gelbrich and Roschk, 2011) that the common contention that distributive justice is the most important driver of post-complaint satisfaction is true only for recovery satisfaction. Cumulative satisfaction is more enhanced by interactional justice.

An unexpected finding in our results is that cumulative satisfaction is not enhanced by procedural justice (including the effect of control). Complaining customers base their cumulative satisfaction and their willingness to continue the relationship (loyalty) more on their evaluation of the interpersonal treatment they have experienced, than on their
evaluation of procedure. Perhaps, customers feel that their (future) interests are better protected by personal courtesy and respect than by just, but impersonal procedure.

Finally, our study suggests that facilitation has no effects on justice perceptions, but timeliness has. In previous research (Gelbrich and Roschk, 2011) facilitation and timeliness were combined in one construct (organizational procedure) with an effect on procedural justice similar in size to the effect of timeliness in our study. This suggests that the effect of organizational procedure on procedural justice in Gelbrich and Roschk’s study may have come from timeliness. Facilitation—as the perceived easy of engaging in a complaint process—may in itself be necessary but insufficient to ensure procedural justice. Future research should model facilitation and timeliness as separate constructs.

From a managerial point of view, this study has important implications for the design of the service recovery experience. Generally speaking, the recovery experience should allow for more behavioral, cognitive and decisional control of the customer.

Behavioral control is improved when a customer has the ability to take action and directly affect the recovery. Firms should not only implement and communicate procedures and policies to facilitate complaints, they should also ensure that the feedback given by these procedures and policies communicates to the complaining customer that they have understood the message and are willing and able to respond to the customer’s complaint. A passenger confronted with a delayed or cancelled flight to Chicago may experience behavioral control when he is informed where to find an airline representative to talk to, and perceives that this representative is responsive to his suggestions as to how to solve the problem.

Cognitive control is improved when the customer receives information about the recovery process and outcome, and is able to manage and interpret that information as to appraise the recovery in a more benign way. Firms should provide reliable information—tailored to the customer’s level of understanding—about the cause of the failure and the steps and time needed to recover from it. This facilitates the customer’s understanding of what has happened and what is about to happen. This reduces stress and anxiety and improves post-recovery evaluations. A customer experiencing poor mobile phone signal may feel cognitive control if the mobile provider explains that poor reception is the result of fire in a building next to the provider’s antenna’s, but that service will be available again in two
days time. A patient in a waiting room at the hospital may experience cognitive control when she’s informed that her appointment is delayed because her physician is called to the emergency room to aid in the treatment of the victims of a car crash, but that another physician will be available in 15 minutes.

Decisional control is improved when the customer is offered choices and alternatives in service recovery outcomes. Firms should provide the customer with a choice in ends of the recovery, but the choice should not be either trivial or overwhelming. Offering a choice between a credit voucher and a discount may appear to be a choice, but both are no options for customers (like tourists) on a one-time visit, which would prefer restitution.

3.10. Limitations and further research

Though the present research has clear merits, there are some shortcomings which are simultaneously suggestions for future research. First, some results may be biased due to omitted variables. More specifically: organizational responses compensation and favorable employee behavior (as main drivers of respectively distributional justice and interactional justice) have not been taken into account since our focus was on control as an aspect of procedure (affecting procedural justice). Future research should include them.

Second, justice theory—as an application of equity theory (Adams, 1965)—suggests that people’s perceptions of fairness depend on their comparison of the ratios of inputs to outputs, and therefore focuses on cognitive processes. Answers to the open questions about the complaint in our survey however suggest that affective processes (emotions, feelings and moods like anger, disgust and contempt) also play a role in the customer’s evaluation of the recovery experience. There is some research on the role of emotions in service recovery (e.g., DeWitt, Nguyen and Marshall, 2007; Chebat and Slusarczyk, 2005; Smith and Bolton, 2002), but their position in the nomological network of service recovery is still unclear (e.g., Gelbrich and Roschk, 2011). Future research should include complainants’ emotions and the way they are affected by organizational responses, including the provision of more (behavioral, cognitive and decisional) control.

Third, this study focuses on the effects of customer control types in the context of service recovery. Reactance theory (Brehm, 1966) suggests that individuals will be (more) motivated to control if control is (repeatedly) threatened or lost. This suggests that the positive effects of control increase from service via service recovery (after a first loss of
control due to a failed service) to third party intervention (after a second loss of control due to a failed service recovery). Future research should investigate whether customers perceive a failed service and a failed service recovery as a loss of control, and whether the positive effects of control increase from an initial service via service recovery to third party intervention.

Fourth, the effects of customer control types may be different in different cultures. For instance, Mueller and Thomas (2000) linked perceptions of control to cultural dimensions such as individualism and uncertainty avoidance (Hofstede, 1980), suggesting that the value of control is different in countries which score different on these cultural dimensions. Not only the value of control itself may be influenced by culture, culture may also have an effect on the preference for, and effect of behavioral, decisional and cognitive types of customer control. Future studies should investigate whether customer control types have different (stronger or weaker or opposite) effects on customer attitudes and behaviors in different cultures.

Fifth, although our study took steps to avoid and control it, some common method variance was present. This may be due to our respondents experiencing a negative affective state, more specifically: a transient mood state (Podsakoff, MacKenzie, Lee and Podsakoff, 2003), which is a context-induced mood due to remembering, reliving and re-experiencing the sometimes annoying or even traumatic complaint experience. This mood may create artificial covariance in self-report measures of both predictor and criterion variables. Future research should try to avoid it, for instance by obtaining measures of the predictor and criterion variables from different sources or—if this is not feasible—separating the measurement of predictor and criterion variables. This separation can for instance be accomplished by introducing a time lag between measurements or by using different response formats (Podsakoff, MacKenzie, Lee and Podsakoff, 2003).

### 3.11 References


A sense of control without being in control; the case of third party arbitration

4.1 Abstract

A sense of control is important to service customers, even more so if they feel they have lost control (after a dissatisfying service and a failed service recovery) and try to regain it (by engaging a third party arbitrator to intervene in the conflict). It is unclear, however, whether this third party intervention is able to reinstall a sense of control in the customer. Conceptual disagreement exists in literature on whether it is possible to derive a sense of control from employing proxy (third party) control. This study therefore conducts a field experiment in which consumers complaining to the Dutch “Geschillencommissie (Foundation for Disputes Committees) are interviewed immediately before and after their arbitralional hearing. The study demonstrates that third party arbitration— even though it does not offer process or outcome control to the customer— has a large positive effect on the customer’s sense of control. This supports the view of control in which an individual does not have to be personally “in control of things”, as long as “things are under control”.

4.2. Introduction

Control beliefs have been shown to be very important for understanding customer reactions to services and service failures. A sense of control (the belief that one can determine one’s own behavior and influence one’s own environment; Poon, 2004) has positive effects on customers’ attitudes and behaviors in services and service recovery (e.g. Ward and Barnes, 2000; Bitner, 1992; Hui and Bateson, 1991; Namasivayam and Mount, 2006; Namasivayam, 2004; Namasivayam and Hinkin, 2003; Kolos and Kenesei, 2008).

A sense of control may be even more important after a failed service and a failed service recovery (Hogarth and English, 2002; Van Raaij and Pruy, 1998), because “the strong perception of loss of control following the negative service encounters is a very unpleasant sensation and provides a strong motivation to try to re-establish control” (Hui and Toffoli, 2002, p.1840). This response is described and explained by Reactance theory (Brehm, 1966), which proposes that if the sense of control is (repeatedly) violated by threats to or loss of
control, individuals will be (more) motivated to reassert control. In other words: the motivation to get control back is proportional to the threats to control. A dissatisfying service may be considered the first experience of loss of control: the customer failed to obtain the service process or outcome he desired. A complaint is an attempt to regain control of the service. A subsequent dissatisfying service recovery constitutes the second experience of loss of control. Reactance theory suggests that this second experience of loss of control will motivate the customer even more to get control back.

One way of regaining control is seeking help or assistance from an impartial third party (Hui and Toffoli, 2002; Devasagayam and DeMars, 2003; Hogarth and English, 2002). In many countries, customers therefore increasingly invite third party arbitrators to intervene in their dispute with a service provider (Geschielencommissie, 2010; Hogarth and English, 2002; Singh, 1989).

It is conceptually unclear, however, how third party arbitration affects the customer’s sense of control. On the one hand, customers may experience feelings of failure, inferiority and dependency because they were unable to achieve desired outcomes themselves and have to rely on a third party to help them. On the other hand, customers may perceive the assistance of a third party arbitrator as a welcome extension of their own capacity for control (Fisher, Nadler and Whitcher-Alagna, 1982).

Literature has not resolved this conceptual disagreement with empirical research. Bandura (2003) suggests that engaging a third party may foster dependent passivity. Many authors hold the view that individuals derive their sense of control only from active, first-person influence, others suggest that individuals may also derive a sense of control from using proxy control (the help and assistance of a third party; Bandura, 1982)(e.g., Tangsrud and Smith, 2000; Antonovsky, 1979).

Given the importance of a customer’s sense of control and the increasing popularity of third party arbitration as a means for customers to regain control, the research question is: What is the effect of third party arbitration in a customer–firm dispute on the customer’s sense of control?

The theoretical contribution of this study is in determining whether or not proxy control (i.e., third party arbitration) contributes to a sense of control. This may help practitioners and researchers in deciding whether third parties can and should play a role in (re)installing a sense of control in customers, during or after a failed service.
In the rest of this article the two opposing views on the effects of third party arbitration on the customer’s sense of control will be discussed. Based on these two views, two opposing hypotheses are formulated. A field experiment is employed to decide which hypothesis holds truth.

4.3 Theoretical framework

4.3.1 Third party arbitration

Customers invite a third party arbiter to intervene in their dispute with a service provider usually after a dissatisfying service and an unsuccessful service recovery. A holiday maker –for instance- may find her/himself in a hotel room overlooking a blind wall, instead of –as the brochure assured- the beach. He/she may complain to the tour operator, but no other rooms are available and a refund is refused. Back home, the customer may turn to third parties like the AAA (American Arbitrators Association), the AFSA (Arbitration Foundation of Southern Africa), the IAMA (Institute of Arbitrators and Mediators Australia) or the Geschillencommissie (Netherlands) who offer arbitrational services to resolve the dispute.

Marketers are concerned about the increasing number of complaints to third parties because these complainers have highly negative attitudes and behaviors towards the firm, which threaten the reputation and financial viability of the firm (Fisher, Garrett, Arnold and Ferris, 1999; Casado, Sellers and Mas, 2004; Thorne McAlister and Erffmeyer, 2003). For firms, the third party intervention is the ultimum remedium, the last opportunity to resolve the conflict with the customer.

Customers who complain to these third parties generally experience high anxiety levels about the complaint situation (Casado, Sellers and Mas, 2004). Many customers frame the conflict with the service provider in personal terms and feel a strong sense of injustice (Beverland, Kates, Lindgreen and Chung, 2010). Most complaining customers never have had to plead their case in a more or less formal, juridical setting and feel duly stressed.

A limited number of studies have focused on third party interventions (in several fields) but these have focused on the antecedents of third party interventions (i.e. when and why do customers turn to third parties; Singh, 1989; Cornwell, Bligh and Babakus, 1991; Hansen, Swan and Powers, 1996; Devasagayam and DeMars, 2003; Thorne McAlister and Erffmeyer, 2003; Casado, Sellers and Mas, 2004), on the satisfaction with the third party intervention
(Hogarth and English, 1997; 2001; 2002; Best and Andreasen, 1977) or on the degree to which third party interventions result in complainants’ compliance with the outcome of the third party intervention (Elangovan, 1995; Karambaya, Brett and Lytle, 1992; Lind, Kulik and De Vera Park, 1993). Several authors express serious doubts about the effectiveness of third party interventions (Nader, 1979; Geistfeld and Choy, 1978; Clement and Gagnon, 2006) and suggest that not enough inquiry has focused on third party intervention, as compared to service recovery (Goetzinger, Park and Widdows, 2006; Thorne McAlister and Erffmeyer, 2003; Fisher, Garrett, Arnold and Ferris, 1999). Although research suggests that regaining control is an important motivation for customers to engage a third party (Hui and Toffoli, 2002) there is no research on the effect of third party arbitration on sense of control.

Research on arbitration in the area of law suggests that arbitration is generally used when two conditions exist: there is no reasonable likelihood of a negotiated settlement and there is no likelihood of a continuing relationship after a resolution (Cooley, 1985). In arbitration, a dispute is submitted to a neutral third party (from a public, private or non-profit agency or organization) to hear arguments, review evidence and render a decision (Bingham, 2004). The arbitrating party is usually selected on the basis of presumed impartiality, integrity, ability and experience in the field in which the dispute arises. Unlike the service recovery process, the arbitral process has been designed by a neutral third party and therefore has more safeguards against partiality and bias (Bingham, 2004). The arbitrator(s) operate within a procedural and enforcement framework which affords considerable power, at least from the perspective of the disputants (Cooley, 1985). In general, a valid arbitration award constitutes a full and final adjustment of the controversy and effectively precludes the parties from again litigating the same subject. The award can be challenged in court only on very narrow grounds, for instance partiality, prejudice or misconduct of the arbitrator during the proceedings (Cooley, 1985).

Third party arbitration can be characterized by low or no process and outcome control of the opposing parties (Bingham, 2004; Shapiro and Brett, 1993; Ross and Conlon, 2000). Process control is the degree of influence on the procedure used for arriving at a decision and outcome control is the degree of influence on the content of the decisions (Leung and Li, 1990; Folger and Greenberg, 1985). Both forms of control are considered critical attributes of third party dispute resolution strategies (Cheung, Suen and Lam, 2002; Folger and
Greenberg, 1985; Thibaut and Walker, 1975; Elangovan, 1995; Lewicki and Sheppard, 1985; Sheppard, 1984). In arbitration the third party dictates the procedure and the outcome (Schwartz, 2006; Bingham, 2004; Cheung, Suen and Lam, 2002; Ross and Conlon, 2000; Elangovan, 1995; Thibaut and Walker, 1975, 1978; Lewicki, Weiss and Lewin, 1992) and the final ruling is imposed and legitimized by the (formal) authority of the third party (Gotz, 2000). Essentially, arbitration helps people by deciding for them (Cooley, 1985). Hence, by employing a third party arbitrator, parties give up process and outcome control (Farber and Katz, 1979). Giving up process and outcome control also introduces uncertainty (Farber and Katz, 1979; Knight, 1921) because both parties have no influence on (and do not know) how the arbiter will decide (Neale and Bazerman, 1983).

4.3.2 Proxy control

Individuals are believed to resort to proxy control when they a) have not developed adequate means to reach their desired outcomes, b) believe the third party can better help them achieve the outcomes, or c) do not want the personal responsibility of direct control (Bandura, 1982; 1997, 2001, 2003). The question is what the effect is of giving up process and outcome control to a third party arbitrator. Two opposing views on the effects of proxy control exist in literature.

Many researchers on control believe that beliefs in or engaging powerful others would interfere with the first person’s sense of control (e.g. Burgers, 1989). They consider the first person as the only possible agent in control strategies (Skinner, 1996) and assume that people derive their sense of control only from active, first-person influence on salient elements of the external environment (Tangsrud and Smith, 2000). Bandura—who introduced the concept of proxy control—thought that resorting to proxy control restricts one’s sense of control (“has self-debilitating effects”; 1982, p.122) and “fosters dependent passivity that detracts from the development and exercise of personal control” (2003, p.172). Because in third party arbitration customers give up active, first-person influence on the process and outcome, this view suggests that:

H1: Third party arbitration leads to a decrease in the sense of control of the customer.

This “limited” view of control has been criticized by for instance Antonovsky (1979) and Tangsrud and Smith (2000) who suggest that active, first-person influence is not necessary
for a sense of control to occur and that proxy control (trust in or alignment with a powerful other) may be a source of sense of control too. According to Antonovsky (1979) it is not necessary for the Self “to be in control over things”, as long as “things are under control” (i.e., others can be in control without harming one’s feeling of control). Antonovsky further suggested that there is a cultural bias among researchers in Western societies to value the former higher than the latter. This “extended” view of control suggests that external agents can be a source of control also and therefore:

H2: Third party arbitration leads to an increase in the sense of control of the customer.

4.4 Method
4.4.1 Research Design

To test the hypotheses, we conducted a field experiment in cooperation with the Stichting Geschillencommissies Consumentenzaken (SGC), an independent third party arbiter handling consumer-firm disputes (a total number of 6894 in 2011). The SGC is supported by the Dutch department of justice, by several industries and by consumer organizations. It provides a fairly cheap and easy way for both consumers and retailers to get their complaint heard and their conflict resolved. There are specialized disputes committees for several lines of business like kitchen suppliers, bank services, travel agencies, funeral services, public transport and hospitals. A specific committee consists of three independent members: one appointed by the “Consumentenbond” (Dutch Consumer Association), one appointed by the appropriate industry, and a chairman, usually a judge or lawyer. A committee studies the files, hears the parties involved and eventually formulates a judgment, by which the parties are bound. The files usually consist of all the relevant documents (of order, purchase, delivery and payment), copies of all correspondence (through mail, email or fax), reports of oral communication and a complaint form in which the complaining party (either the customer or the firm) explains its grievances and demands. The hearing lasts 30 minutes and although there are few procedural requirements, the chairman controls the procedure, honoring however the principle of hearing both sides. The explicit purpose of the hearing is to provide the committee with the information they desire and to answer any questions they may have. The committee is adamant in avoiding any demonstration of bias or partiality on her side, and no hints or suggestions are made about the content of the committee’s forthcoming decision. The judgment is decided upon by the committee after the hearing,
and is sent to the parties involved usually within 6 weeks. The ruling of the committee is binding: both parties have declared beforehand that they will adhere to the verdict. Sometimes one of the parties communicates dissatisfaction with the outcome or dissatisfaction with the implementation of the verdict by the other party and subsequently involves a civil court of law. This court, however, will usually uphold the committee’s decision, unless it is given reason to believe that the committee did not follow proper procedure.

The field experiment employed a one group pretest/post-test design. Customers waiting in the lobby for their arbitrational hearing to commence were approached by trained research assistants to ask them to participate in the project. Complainants were told that the purpose of the study was to investigate if and how the SGC contributes to solving problems between customers and firms. Participating customers were interviewed immediately before (pretest = T₁) and after (post-test = T₂) their arbitrational hearing (the treatment). This timeframe reduces or nullifies the effects of history, maturation and instrument decay (Campbell and Stanley, 1963). The outcome of the third party intervention has no effect on measurements, since the binding advice is delivered to parties by mail, several weeks later.

4.4.2 Procedure and participants

156 valid questionnaires were returned. All complainants who agreed to answer the questionnaire before the hearing also completed the questionnaire after the hearing. Therefore experimental mortality is of no concern. Of the participants, 100 were men (64.1%) and 56 were women (35.9%). Their average age was 48 years old, the oldest participant being 82, the youngest 23. 19 of the participants (12.2%) had complained before to the SGC, 137 (87.8%) had not. Participants stated primary school (2 participants; 1.3%), secondary school (16; 10.3%), middle-level vocational education (42; 26.9%), higher vocational education (62; 39.7%) and university (34; 21.8%) as their highest level of education. The participants appeared before different Geschillencommissies: home (furniture, curtains, kitchens etc) 65 (41.7%), utilities (gas, electricity, water) 49 (31.4%), mobility (car repair) 18 (11.5%), travel (holiday, flights, hotels) 15 (9.6%), transport (car rental, airlines, public transport, taxi) 2 (1.3%), legal (lawyers) 1 (.6%), and houses 6 (3.8%).
4.4.3 Measures

Sense of control ("The belief that one can determine one’s own behavior and influence one’s own environment") (Poon, 2004, p. 24) was measured using a 7-point semantic differential rating scale adapted from Poon, Hui and Au (2003) consisting of seven items: competent-incompetent; controlling-controlled; strong-weak; dominant-submissive; in control-no control; helpless-confident and influenced-influential. The construct was measured before ($\alpha=.92$) and after ($\alpha=.95$) the treatment.

Literature on service recovery suggests several important moderators of the effects of service recovery efforts on the customer’s attitudes and behavior. Although we recognize that service recovery efforts and third party efforts are different in nature (because of the involvement and role of the third party arbiter), we will include these moderators in the study as control variables.

Product importance (Hoffman and Kelley, 2000; Davidow, 2003; Elangovan, 1995) is the perceived significance of the consumption experience to the customer. The variable was measured using a Likert-type scale adapted from Oliva, Oliver and MacMillan (1992) and Seiders, Voss, Grewal and Godfrey (2005) consisting of four items: “It was a very important transaction/service”, “This transaction/service was crucial”, “This transaction/service involved a large amount of money” and “This transaction/service had important economic consequences for me”. The construct was measured after the treatment ($\alpha=.77$).

Attribution of blame (Davidow, 2003; Dunning, O’Cass and Pecotich, 2004 and Dunning, Pecotich and O’Cass, 2004) is the degree to which responsibility for a product or service failure is assigned to the producer or service provider. This variable was -following Jones et al. (1971)- assessed by ratings on two items: “The complaint could have been prevented if the firm had more skill and expertise” and “The complaint could have been prevented if the firm had put more effort in it.” The construct was measured after the treatment ($\alpha=.74$).

Magnitude of the failure (Weun, Beatty and Jones, 2004; Smith, Bolton and Wagner, 1999; Kelley, Hoffman and Davis, 1993) is the perceived extent and importance of the service or product failure. The factor was measured using a Likert-type scale adapted from Maxham and Netemeyer (2002) consisting of three items: in your opinion, the service failure was “A major problem”, “A big inconvenience” and “A serious failure”. The construct was measured after the treatment ($\alpha=.86$).
Duration of the encounter (Davidow, 2003; Hoffmann and Kelley, 2000) is the period of time the customer tried to get the complaint solved by the service provider or producer. Duration was measured with one item: “How long have you been busy trying to get the problem solved by the firm?”. The construct was measured after the treatment.

Process-failure versus Outcome-failure (Smith, Bolton and Wagner, 1999; Elangovan, 1995) is whether the customer’s complaint is about the outcome (“My complaint is about the result that has been delivered by the firm”) or about the process (“My complaint is about the way this result was realized”). The construct was measured after the treatment.

Finally, we also measured gender, age and level of education.

4.5 Results

We tested the effect of arbitration on the customer’s sense of control with a Repeated Measures / Mixed Anova model with sense of control as within-subjects factor and control variables (product importance, attribution of blame, magnitude of the failure, duration of the encounter, process versus outcome failure, gender, age and level of education) as between-subjects factors. The results of the test are shown in table 1.
The results demonstrate that arbitration has a large positive effect on sense of control (from $M=3.28$ at $T_1$ to $M=4.10$*** at $T_2$, $\eta^2=17$). None of the between-subjects factors contribute to this effect. Only one of the interactions (sense of control * age) contributes to the effect: the increase in sense of control is significantly larger for older consumers (their sense of control increases on average with 1.29, whereas the sense of control of younger consumers increases on average with .44). Hypothesis 1 is rejected, hypothesis 2 is confirmed: third party arbitration leads to an increased sense of control of the customer. Please note that the sense of control increases without the consumer knowing the outcome.

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Within-subjects factor</th>
<th>F</th>
<th>Sig.</th>
<th>Eta sq.</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of Control 2 (after the intervention)</td>
<td>1. Sense of Control 1 (before the intervention)</td>
<td>$F(1,00,117.000)=24.91$</td>
<td>***</td>
<td>.176</td>
<td>Large</td>
</tr>
<tr>
<td></td>
<td>2. Sense of Control 2 (after the intervention)</td>
<td>$M=3.28$; SD=1.60</td>
<td>$M=4.10$; SD=1.50</td>
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<td></td>
</tr>
</tbody>
</table>

**Between-subjects factors**

<table>
<thead>
<tr>
<th>Factor</th>
<th>F(1,117)=.02 (ns)</th>
<th>F(1,117)=1.99 (ns)</th>
<th>F(1,117)=.09 (ns)</th>
<th>F(1,117)=1.08 (ns)</th>
<th>F(2,117)=.12 (ns)</th>
<th>F(1,117)=2.97 (ns)</th>
<th>F(1,117)=2.00 (ns)</th>
<th>F(1,117)=3.93 (ns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Importance</td>
<td>Attribution of blame</td>
<td>Magnitude of the Failure</td>
<td>Duration of the encounter</td>
<td>Process vs outcome failure</td>
<td>Gender</td>
<td>Age</td>
<td>Level of education</td>
<td></td>
</tr>
</tbody>
</table>

**Interactions**

<table>
<thead>
<tr>
<th>Interaction</th>
<th>F(1,117)=2.31 (ns)</th>
<th>F(1,117)=.12 (ns)</th>
<th>F(1,117)=1.73 (ns)</th>
<th>F(1,117)=1.61 (ns)</th>
<th>F(2,117)=.28 (ns)</th>
<th>F(1,117)=.83 (ns)</th>
<th>F(1,117)=6.27 *</th>
<th>F(1,117)=.09 (ns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SoC 1*Product Importance</td>
<td>SoC 1*Attribution of blame</td>
<td>SoC 1*Magnitude of the Failure</td>
<td>SoC 1*Duration of the encounter</td>
<td>SoC 1*Process vs outcome failure</td>
<td>SoC*Gender</td>
<td>SoC*Age</td>
<td>SoC*Level of education</td>
<td></td>
</tr>
</tbody>
</table>

* = p<0.05  ** = p<0.01  *** = p<0.001  (ns) = non significant
SoC = Sense of Control

Table 1 Results of testing the effect of arbitration on sense of control.

The results demonstrate that arbitration has a large positive effect on sense of control (from $M=3.28$ at $T_1$ to $M=4.10$*** at $T_2$, $\eta^2=17$. None of the between-subjects factors contribute to this effect. Only one of the interactions (sense of control * age) contributes to the effect: the increase in sense of control is significantly larger for older consumers (their sense of control increases on average with 1.29, whereas the sense of control of younger consumers increases on average with .44). Hypothesis 1 is rejected, hypothesis 2 is confirmed: third party arbitration leads to an increased sense of control of the customer. Please note that the sense of control increases without the consumer knowing the outcome.
of the arbitration. Apparently, the arbitration itself provides him or her with a sense of control. Furthermore: if Antonovsky (1979) is correct and Western societies place lower value on proxy control (and higher value on personal control), our estimate (of Dutch -i.e. Western- consumers) may be rather conservative (as compared to consumers in non-Western countries).

As an additional analysis, we checked whether this is true for all customers (and not just on average for all customers). The results show that 93 customers (60%) experience an increase in sense of control after the third party intervention of -on average- 1.8 (on a seven-point scale). 43 customers (27%) experience a decrease in sense of control of –on average- 1 point. 20 customers (13%) report no change in their sense of control. In other words: only a quarter of respondents (27%) experience negative effects of the third party intervention on their sense of control.

4.6. Conclusions and Implications

The conclusion of this study is that third party arbitration increases the customer’s sense of control. Since a third party arbitral intervention allows for no personal control of the process and outcome by the customer, this means that having personal control is no prerequisite of a sense of control. The result confirms the “extended” view of control in which a sense of control may not only be derived from having personal control (“being in control over things”) but may also be derived from proxy control (“things being under control”). In other words: not only can others be in control without harming one’s feeling of control; others can be in control and actually increase one’s sense of control.

Antonovsky (1979) may be right in suggesting that researchers in Western societies are biased in valuing active, personal control over proxy control. Antonovsky put forward the concept of “sense of coherence” (one’s confidence that one’s environment is predictable and that things will work out as well as can reasonably be expected) as an important predictor of psychological and physiological health. He suggests that events do not need to be under one’s personal control, as long as they are comprehensible (perceived as making logical sense, ordered, consistent and structured). He pointed to societies where the idea that control is located in a deity, or in the hands of powerful and benevolent others does not seem to impair a sense of control. The belief that those in control have legitimate power allows for the co-identity (alignment) of the person whose fate is being determined and the
person in control (Schulz, Heckhausen and Locker, 1991). The lack of personal control which is considered a disadvantage of arbitration by many Western researchers (a just procedure is one that limits third party control; Thibaut and Walker, 1975) may be its primary benefit: it transfers the responsibility for the process and the outcome to the third party and away from the two negotiating parties (Neale and Bazerman, 1983).

This conclusion has important implications for the study of control. A high sense of control has been shown to be an important predictor of positive attitudes and behaviors of service customers like the pleasantness of the service experience (Ward and Barnes, 2000; Bitner, 1992; Hui and Bateson, 1991), service satisfaction (Namasivayam and Mount, 2006; Namasivayam, 2004; Namasivayam and Hinkin, 2003), repurchase intent (Ward and Barnes, 2000; Namasivayam and Hinkin, 2003) and satisfaction with the service recovery (Kolos and Kenesei, 2008). Since this study demonstrates that proxies can also be a source of a high sense of control, researchers should—when measuring the sense of control—focus not only on whether the customer perceives he is personally able to control the service, but also whether he feels the service is under control by a third party.

The results of this study also have implications for service providers. Service providers aiming to empower their customers in the expectation of rewards (for instance service satisfaction and loyalty) should consider that customers do not necessarily have to be personally in control of the service, but may benefit from proxy control. For instance, many customers perceive risks and lack of control while shopping on the internet, especially when paying electronically to unknown or unfamiliar web shops. Web shops therefore use so-called “trusted third parties” (TTP’s). TTP’s are trusted intermediaries (like PayPal) which handle and control the financial transaction.

Providers of third party arbitral services may—given the results of this study—feel more confident that their service does not take away a sense of control from the complainant (and leave him feeling dependent and helpless) but—on the contrary—increases his sense of control. Since literature suggests regaining a sense of control is an important motivation for customers to engage a third party (Hui and Toffoli, 2002), this is a relevant outcome. In many societies, there is a broad variety of impartial third parties providing these kind of services in different domains of life, for instance in the relationship between citizen and government (conflicts over building permit), between husband and wife (divorce settlement), between employee and employer (resignation), between patient and doctor.
(medical maltreatment), between competitors in the marketplace (comparative advertising),
between competitors on the internet (domain name use) or between athlete and sports
organization (drug use). Organizations and industries are well advised to introduce or
support these third party arbitralional services.

4.7. Limitations and suggestions for further research

Though the present research has clear merits, there are some shortcomings which are
simultaneously suggestions for future research. In our study, we used the third party
arbitralional hearing as a “black box” and the effect of this black box on the customer’s
sense of control was measured. It is likely, however, that a third party arbitrator needs to
meet certain criteria to be able to increase one’s sense of control. Literature suggests that
the neutrality and trustworthiness of impartial third parties is their most important attribute
because in the perception of the complainant, these attributes protect him from the risk (of
being harmed, neglected or discriminated against; MacCoun, 2005) which is inherent to all
forms of proxy control (Leventhal, 1980; Tyler and Lind, 1992). Research on which perceived
attributes of third party arbitrators contribute to or deter from their positive effect on the
disputants sense of control may improve our understanding of control-related third party
effects even further.

Furthermore, it may be that an increase of the customer’s sense of control in arbitration
is the result of the customer being more familiar with this type of conflict handling than –for
instance- mediation. In other words: an increased sense of control in a situation in which no
process or outcome control is possible may be the result of the situation being familiar (and
therefore –in a sense- predictable) instead of the result of proxy control. Future research
should control for this effect.

The present research focused on the effect of the third party intervention on the
customer’s sense of control. It is possible that regaining a sense of control may improve the
relationship with the service provider. A regained sense of control may mitigate the
dissatisfaction with the service provider or negative word-of mouth. Future research should
investigate the effect of an (increased) sense of control on relationship factors.

As Antonovsky (1979) suggests: different cultures may place different value on personal
control and proxy control. Future research should focus on the effects of proxy control in
different cultures.
Our study assumed—based on previous research (Hui and Toffoli, 2002) and on Reactance Theory (Brehm, 1966)—that customers—after a failed service and service recovery—are more motivated to get control back of their consumption experience. To our knowledge, however, this effect has not been empirically tested. Future research should compare the desire for control of customers after subsequent service failures.

Finally, although the questions in the questionnaire are no achievement tests, but tests of perception and attitude, the pretest may make respondents (more) aware and conscious of the specific factors being studied. A testing effect may be present.

4.8. References


Conclusion

5.1 Introduction

Consumers and markets change continuously, and both marketing professionals and academics try to interpret and make sense of these changes, and translate them into guidelines for businesses to maintain or improve service quality, customer satisfaction and competitiveness. These guidelines –put into practice- in turn change and influence consumers and markets in desired, but also sometimes unpredictable ways.

In a way, customers and businesses are eternal dance partners, sometimes completely in sync with each other and in tune with the music, and at other times dancing to different tunes or struggling to not step on each other’s toes. Lately however, it seems it is no longer the firm which calls the tune and leads the dance. Customers are better educated and prepared to assert their rights and to complain about poor quality goods and services. They are –through the internet- better informed about the quality of competing services and products. For many customers, finding another partner to dance with is just one click away. These empowered consumers use information and take advantage of the competitive market by being knowledgeable, confident, assertive and self-reliant. They shop and buy on their own terms, instead of those dictated by stores and marketers (Harrison, 2002; David, 2001; Newholm, Laing and Hogg, 2006; Howcroft, Hamilton and Hewer, 2007; Chen and Chou, 2003; Fuat Firat and Venkatesh, 1995; Pires, Stanton and Rita, 2006)

Businesses are struggling with this change in the balance of control between consumer and firm. Some firms consider this empowered consumer to be a threat. They are reluctant to give up control and prefer to exploit the information asymmetries that existed prior to the creation of the internet (Singer, Ross and Avery, 2005). Other firms try to accommodate to, and benefit from customer empowerment by offering more control to customers. They consider customer control not to be an antagonistic force, but complementary to marketer control (Denegri-Knott, Zwick and Schroeder, 2006). These businesses work together with the customer to *co-create value* (Grönroos, 1979; Prahalad and Ramaswamy, 2000).

The key concept in customer empowerment and co-creation of value is *control*: customers demand more control over their relationship with manufacturers and service providers (*customer empowerment*) and firms try to benefit from this by offering more control to customers (*co-creation of value*). This makes control a relevant and interesting
topic for research. The general purpose of this dissertation – as provided in chapter 1 – is to contribute to the understanding of co-creation of value and customer empowerment by focusing on the role and effects of customer control in services. The three studies in this dissertation focus on three questions regarding the role and effects of customer control in services which have not been considered by previous research. The details of these studies have been reported in the preceding three chapters. In the following sections, we present the key findings of these empirical investigations (section 5.2) and discuss the relevance of our results for marketing professionals and academics (section 5.3). Next, we offer a set of future research directions, which we believe will further advance our understanding of the role of control in marketing exchange relationships (section 5.4). We conclude with a discussion of some critical views on the motivation behind, and presumed benefits of customer empowerment and co-creation of value (section 5.5).

### 5.2 Synopsis

In this section we present the key findings of our three empirical studies.

**Study 1: More control is not always better: the role of desire for control in affecting service attitudes and behavior.**

The first study tested the assumption that more control is always better. The study proposes that people differ in their desire for control, and that having more or less (capacity and opportunity for) control than desired has a detrimental effect on service attitudes and behavior. To test this, we designed and conducted an experiment using video clips. In 8 different video clips, desire, capacity and opportunity for control were manipulated high and low. 379 students participated in the experiment.

We found that having more (capacity and opportunity for) control does not always have positive effects on satisfaction because the effect depends on desire for control. Customers having the desired level of control are most satisfied (with self, the service provider, service process and service outcome); customers having more control than desired are less satisfied and customers having less control than desired are least satisfied. Consistency with desire also influences behavior: consistency with desire increases the strength of positive behavioral intentions (like loyalty and positive word of mouth) and conflict with desire increases the strength of negative behavioral intentions (like complaining and switching). The main conclusion of the first study is therefore that the effect of control is conditional
and more complex than previously assumed: more control is not always better: it is better when it is desired, but worse when it is not desired.

**Study 2: There’s more to control than having a choice: the effect of behavioral, cognitive and decisional control in a service recovery context.**

The second study focused on whether there is more to control than having a choice. The study proposes that customer perceptions of fairness of and satisfaction with the firm’s service recovery efforts are not just enhanced by giving them a choice in recovery outcomes (decisional control), but also by offering them behavioral control (the opportunity to take direct action and influence the stressful event) and cognitive control (the opportunity to interpret and appraise the stressful event in a more benign way).

To test this, we conducted a survey among 260 members of a consumer panel. We found that there’s more to control than having a choice: behavioral, cognitive and decisional control of both the recovery outcome and recovery process are drivers of procedural, interactional and distributional justice, which in turn affect recovery and cumulative satisfaction. It is important for complaining customers not just to have a choice between outcomes, but also to be able to take action and personally affect the service recovery and to receive information to be able to interpret and appraise the failure and recovery in a more benign way. A firm’s service recovery offering these types of control to customers is being perceived as more fair and leads to higher satisfaction and loyalty.

**Study 3: A sense of control without being in control; the case of third party arbitration.**

The third study focused on whether it is necessary for a customer to be personally in control to have a sense of control. The study identified two opposing views found in literature: a limited view, which suggests that engaging powerful others (third parties) restricts one’s sense of control (“I feel powerless because I was not able to get the outcome I wanted and need a third party to help me”), and an extended view, which suggests that engaging powerful others (third parties) may increase one’s sense of control (“I feel powerful because this third party will help me to get what I want”).

To test which view holds, we conducted a field experiment among 156 complainers to the Dutch Geschillencommissies, an independent third party arbiter handling consumer-firm
disputes in the Netherlands. We measured the complainers’ sense of control immediately before and after the third party intervention.

We found that the third party intervention has a large positive effect on the complainants’ sense of control. This result demonstrates that a feeling of control may not just be derived from perceiving oneself personally in control, but also from perceiving that things are under control of a third party (confirming the extended view of control).

5.3 Discussion

The results of these three studies confirm the importance and value of control in service interactions. They also suggest some important refinements that should be considered and incorporated in theory and practice.

The first refinement is that—although most people prefer and benefit from control most of the time—there are exceptions to this rule. As study 1 demonstrates, people who have more control than desired or less control than desired benefit less from control. The fact that humans may have a basic motivation to achieve control over important events in their lives does not preclude that control may also have (at the same time) drawbacks, resulting in detrimental effects when it is not desired.

The great challenge for both theorists as well as practitioners is in finding ways to provide, but not to impose opportunities for control. An appropriate co-creation strategy does not consist of forcing control on each and every customer, but of designing diverse bundles of co-creation offers and stipulating the values that these diverse bundles may provide in terms of economic, psychological and social benefits. Co-creation is not about forcing a maximum level of control upon a customer or about limiting his control, but about finding and offering the optimal level of control which agrees with the customer’s desire.

If opportunities for control are imposed on an individual, another basic human need may be threatened or thwarted: the need for autonomy or self-determination. This need refers to the innate desire to experience one’s true self as the origin of one’s own actions (DeCharms, 1981; Deci and Ryan, 1985). Opportunities for control imposed by others (i.e., service providers) may therefore very well be counterproductive since they undermine the individual (customer’s) sense of autonomy and self-determination. The customer should be given the opportunity to choose not to exercise control.
The second refinement is that although control is predominantly conceptualized as having a choice between outcomes, control is not just about that. Offering a choice between outcomes (for instance in service recovery) provides the customer with a sense of control and certainty that desired outcomes can be obtained. As study 2 demonstrates, however, there are other means to provide the same. Information about the (causes of the) service failure facilitates the interpretation and appraisal of the threatening event (cognitive control). If a customer knows the service provider knows what went wrong and takes responsibility (regardless of whether the failure could have been prevented or not), he is more likely to perceive that the failure is unlikely to occur again. In other words: he is more certain that desired outcomes can be obtained. Similarly, having the possibility to act, to do something (behavioral control) provides the customer with a sense of control. A sense of control is not simply the effect of providing a choice by others, but also of the customer appraising the situation, deriving meaning from it and managing his own actions and cognitions.

The third refinement is that a customer does not need to be personally in control to have a sense of control. Perhaps due to a cultural bias, researchers in Western societies have focused on the individual “being in control of things” (Antonovsky, 1979). The implicit dichotomy is “I am in control” versus “I am not in control” and the former is assumed to have beneficial effects. Perhaps, however, another dichotomy is also, or even more important: “things are under control” versus “things are not under control”. In this view, it is less relevant who is in control, as long as things are under (legitimate) control. Indeed, research has found that individuals are strongly motivated to avoid the belief that the world is governed by nothing more than chaos and that our outcomes are randomly determined. Such beliefs would be too psychologically stressful and anxiety-provoking (Cutright, 2011; Antonovsky, 1979; Janoff-Bulman, 1992). In order to avoid these feelings of anxiety and stress, individuals may not only choose to believe that they have personal control, they may also choose to believe that others, a group, a leader or even a deity is in control. The belief that others who are in control have legitimate power allows for the co-identity, the alignment of the person whose fate is being determined and the decision maker (Antonovsky, 1979). In this view, a person does not have to be personally in control, as long as things are under control of someone or something he can identify with.
Taken together, the three studies paint a richer and more complex picture of control. The results of our studies imply to researchers and marketing practitioners that a simple, reductionistic and deterministic approach to customer empowerment and co-creation of value will not suffice. The reductionism is in the assumption that all customers want control, that control is only about choice, and that control has to be personal. The determinism is in the assumption that offering control (for instance by providing a choice) always creates value for customers.

Together, the studies contribute to a better understanding of the role and effect of control beliefs in services by explaining if, when and how consumer can benefit from different types of control.

5.4 Suggestions for further research

While we have provided specific suggestions for future research at the end of each empirical study (chapters 2, 3 and 4), the following section is devoted to a discussion on more general directions for future research. First, we will discuss some general suggestions related to all three studies (section 5.4.1). Second, we will discuss individual, contextual and cultural contingencies which deserve further scrutiny (section 5.4.2). Third, we propose to extend the research on control to other marketing-related processes like advertising and branding (section 5.4.3).

5.4.1 General suggestions for further research

Our studies demonstrated the effects of control beliefs in the context of the initial service, the service recovery and the third party intervention. Reactance theory (Brehm, 1966) assumes that control becomes more important the more it is threatened. A failed service may be considered a first occasion on which the customer loses (some) control, a failed service recovery is a second occasion and a failed third party intervention constitutes a third occasion. We did not, however, empirically test whether the desire for control becomes more important throughout this process. Future research should examine whether the desire for control is higher after subsequent service failures. If so, the urgency or relevancy to provide (some type of) control in—for example—service recovery is higher than in the initial service.
Our studies distinguished between different types of control and investigated their effects. We do not know, however, how these types of control are related. For instance: is the relationship between behavioral, decisional and cognitive control compensatory or non-compensatory in nature? Can a lack of personal control be fully compensated by proxy control? Furthermore, there may be differences in the preferences for specific types of control in a specific type of services. We found only one example in the literature: patients report that they want detailed information about their condition and their treatment (cognitive control), whereas they prefer the physician to make the decision (decisional control) (Auerbach, 2001). Future research should investigate preferences for control types in other types of services. Knowledge about these preferences may help practitioners and academics decide whether it is important to focus on specific types of control in any type of service.

Our studies did not differentiate between all factors that may contribute to opportunity for control (like the lay-out of the store, the behavior of service personnel and the standards and procedures imposed on the customer and the personnel by the service organization). Neither did our study identify and measure all factors that might contribute to capacity for control (like intelligence or physical skills), or factors that might contribute to desire for control (like psychological or cultural factors). Differentiating between these factors (and choosing the appropriate ones depending on the context) may contribute to a clearer and more detailed understanding of how customers form perceptions of control.

Our studies did not include the temporal dimension of control beliefs. Control beliefs may occur before, during or after any situation or event. A customer may consider in advance whether he will be able to influence the service provider (“I will convince him to change the terms of the loan”), he may consider control during the meeting (“I have nearly convinced him to change the terms of the loan”) or after the meeting (“I have convinced him to change the terms of the loan”). These control beliefs may differ, and attitudes and behavior may result from (dis)confirmation (Oliver, 1980) of expectations of control. Future research should test the validity of disconfirmation of control expectancies as alternative explanation of attitudinal and behavioral effects. The managerial implication would be that firms and employees need to focus more on managing these customer expectations of control.
Our studies followed the conventional notion that perceptions cause attitudes, which in turn cause behavior. Self-perception theory (Bem, 1967), however, suggests that people develop their attitudes by observing their behavior and concluding what attitudes must have caused them. Our studies cannot rule out the possibility that customers’ perceived control might be a result rather than a cause of satisfaction. A possible explanation is that customers make an internal attribution to a successful service (Oliver and DeSarbo, 1988): a satisfying service which implies success is interpreted as resulting, at least partly, from the customer’s ability to control the service process. Future research may compare the validity of both models.

Our studies took the customer perspective. The effects of customer control of the service may, however, also be viewed from the point of view of the service personnel or the service organization: what are the effects of (more) customer control on job satisfaction of the service employee and turnover or customer lifetime value for the service organization (e.g., Chan, Yim and Lam, 2010)? Which capacities do organizations need to be able to co-create value with their customers? Of particular interest is whether control is a zero-sum commodity. In other words: does an increase in customer control reduce the service employee’s perception of control, or may both increase if –for instance- the service organization’s procedures and standards allow the customer to control, and allow the employee the flexibility to cater to different customer demands?

Our studies took place in the context of business-to-consumer. Although professional purchasing behavior resembles consumer behavior in many ways, there are also differences. Often, the relationship between supplier and customer is closer, there are more people involved in the purchasing process and the process takes longer (Kotler and Keller, 2012). Future studies should investigate whether these differences alter the results of our studies.

In co-creation, the consumer contributes to the production of a service or product. In a sense, (s)he becomes a part-time and voluntary employee of the company. Management literature on job design suggests that job satisfaction of employees increases with task identity (being fully responsible for one aspect of one’s work)(Hackman and Oldham, 1976). If this is also applicable to co-creating customers, it implies that firms may do well by choosing the points for customer control carefully so that they can be perceived by the customer as separate and distinct (increasing the customer’s task identity). Future research
should investigate whether beneficial effects of customer control increase when the control task is perceived as distinctive and separate.

5.4.2 Individual, contextual and cultural differences

Our studies demonstrated the effects of control above and beyond the effects of other well-known drivers of customer satisfaction and loyalty in service, service recovery and third party intervention. The studies also checked for moderating effects of for instance sex, age and level of education. There may, however, be other factors that might affect our findings.

At an individual, psychological level, the pattern of results may be affected by personality characteristics. People with Type A personalities –for instance- are described as high-achieving “workaholics” who are ambitious, rigidly organized and proactive. They often take on more than they can handle and are obsessed with time management (Friedman, 1996). Type B personalities are less ambitious, more laid-back and reflective. Type A personalities are more motivated by a need to control (Sanders and Malkis, 1982), and may benefit more from having control, and suffer more from deprivation of control. They may also respond differently to situations of proxy control.

Similarly, an individual’s locus of control may influence his or her response to situations of (un)control. Internals think that events result primarily from their own actions and behavior. They are more action-oriented, they often commit to risky, innovative and difficult tasks (Hollenbeck, Williams and Klein, 1989; Howell and Avolio, 1993), especially seeking out those allowing for personal control (Brenders, 1987; Hoffman and Kelley, 2000). Externals – on the other hand- are avoidant of difficult situations, especially those requiring their active involvement. They believe that they lack the skills necessary to be effective problem solvers (Larson, Piersel, Imao and Allen, 1990). Consequently, they exhibit such avoidant behaviors as procrastinating (Janssen and Carton, 1999) or withdrawing, retreating or escaping (Aspinwall and Taylor, 1992; Ingledew, Hardy and Cooper, 1997; Skinner, 1996). Internals and externals may respond differently to situations of (un)control or proxy control.

The effect of control may also depend on the shopping context. For instance utilitarian-oriented shoppers or service customers want to shop efficiently (Lunardo and Mbengue, 2009), and for them it may be important that the service is control inducing. For hedonistic shoppers or service customers, the store design or service environment may be more
arousal-inducing. Future research should investigate whether these contexts affect the pattern of our results.

On a contextual level, our findings may be affected by the type of service under investigation. Lovelock (1983) differentiates between services directed at people's bodies (beauty salon, haircutting) and services directed at goods (laundry and dry cleaning). He also distinguishes high customized services (architectural design) from low customized services (public transportation). The desire for control, the expectation of control and the effects of (types of) control may be different between these types of services.

Bowen (1990), in another taxonomy of services, distinguishes between three types of services. He labeled the first group "High-Contact, Customized, Personal Services", which include hotels, restaurants and hospitals. He argues that in this type of service, customization and personal influence is more important. Customers should be allowed to have input into the creation of the service, like having a choice of room in hotels and hospitals and a range of menu choices in restaurants, hospitals, and hotels.

The desire for and effects of control may not only be different in different types of services, they may also be different in different phases in the service process. Van Raaij and Pruyn (1998) differentiate between the input phase (service specification), the throughput phase (service realization) and output phase (service outcome) phase. Some types of services may allow for more control in any specific phase than in other services (cosmetic surgery does not allow customer control in the throughput phase, but hairdressing usually does). Some customers may desire control in the specification phase (specifying which car defects need to be fixed and which not), but not in the realization phase (repairing the car). Other customers may want control throughout all service phases. Providing (no) opportunities for control in these phases may have differential effects.

The perception of control may be particularly important in marketing contexts which involve new technology like electronic and mobile banking, e-commerce and RFID (Radio Frequency Identification). Many of these technologies offer significant advantages, but customers are anxious when trying these types of services. A feeling of control may help them to trust the new technology. For instance, websites could offer the possibility to cancel the order within 7 days, they could offer more and different payment options and they could inform the customers that the order is definitive only when they have pushed the “confirm
order" button in step 5 of the payment process. This allows the customer to try the payment process without the risk of accidentally buying something.

In the context of medical services, patient control has been shown to have beneficial effects like reduced stress, increased well-being, better coping and a more speedy recovery (Bateson, 2000; Krantz, Baum and Wideman, 1980; Langer, Janis and Wolfer, 1975). It is unclear, however, whether maintaining a perception of control is beneficial in situations (for instance a progressive or terminal illness or an incurable disease) where it is an illusion (Langer, Janis and Wolfer, 1975; Taylor, 1989; Taylor and Brown, 1988). Some clinicians view the patient’s perception of control as a state of “denial” and urge the patient to achieve a state of realistic acceptance (e.g. Kübler-Ross, 1969; Calvin and Block, 1994; Wortman and Brehm, 1975). Other research (involving cancer patients) suggests that patients shift their focus from controlling the course of the disease to controlling their daily emotional reactions and physical symptoms (Thompson, 1981). The effects of both coping strategies, however, were found to be adaptive in some research (Thompson, 1981), but not in other research (Endler, Speer, Johnston and Flett, 2000).

There is a similar discussion about whether a sense of control is adaptive for those in disadvantaged economic circumstances. One point of view holds that it is not adaptive for people who are economically disadvantaged to believe they are in control because it is unrealistic and may lead to unwarranted self-blame, disappointment and frustration (Lachman and Weaver, 1998; Thompson, Cheek, Graham and Spacapan, 1988; Gurin and Gurin, 1970). Given uncertain financial futures and fewer opportunities for advancement, it may be more advantageous for economically disadvantaged individuals to maintain a realistic assessment of their circumstances. Another point of view suggests that the illusion of control is beneficial (Langer, Janis and Wolfer, 1975; Taylor, 1989) even in the face of adversity because it provides the motivation to work hard to change one’s plight in contrast to a sense of apathy or hopelessness (Seligman, 1975, 1991).

Variations in desire for-, and effects of control may also be culturally determined. Thompson and Spacapan (1991), for instance, found that U.S. culture places more emphasis on direct, personal control of a situation while Japanese culture places higher value on adjustment to that situation. This difference may be caused by differences in child rearing, socialization, religion, philosophy and work (Weisz, Rothbaum and Blackburn, 1991).
Variations in effects of control may also be different for individualistic and collectivistic cultures. The need to express one’s Self through “customizing” the service through control is potentially stronger in individualistic cultures (Chang, Chen and Huang, 2009). An interesting new avenue for research would be to relate variations in, preferences for and benefits of specific types of control to other cultural dimensions like power distance, masculinity versus femininity, uncertainty avoidance, universalism versus particularism or long-term versus short term orientation (Hofstede, 1980; Trompenaars, 1993). Of special interest is the cultural dimension locus of control (do we control our environment or are we controlled by it?) (Trompenaars, 1993). Individuals of cultures with an in- or external control orientation may respond differently to situations of (un)control or proxy control.

5.4.3 Control in other marketing-related processes

The concept of control has been successfully applied to the context of services, but it may equally successful be applied to other marketing interactions between firm and customer like advertising, marketing research, branding or product development.

Advertisements can be classified on the basis of the degree of control they allow the recipient. Control in this context may refer to whether the customer can influence for instance the timing, the frequency, the pace or the content of the advertisement. An advertisement in a book or magazine –for instance- can be easily skipped by the reader: he just turns the page and continues reading. If the reader decides to read the advertisement, he can take as long as he wants. A television-commercial on the other hand allows for less customer control. It cannot be skipped (if the viewer is not interested) for the regular program to continue, neither can it be prolonged or repeated (if the viewer is interested). Internet-based television, however, is based on technology that may create more opportunities for customer control of the frequency, timing, pace, style and type of advertising. Future research should focus on whether enhanced control of (exposure to) the ad enhances the customer’s attitude towards the ad and his or her behavioral response.

A type of advertising particularly annoying to many customers is spam: unsolicited commercial e-mails or telephone calls. For many customers, spam is annoying because there is no way to control these unwanted messages –other than obtaining a new e-mail address and telephone number. An antidote to this annoyance may be permission marketing, which requires that the prospective customer has given explicit permission for the marketer to
send their promotional message (like an email or catalog request) (Godin, 1999). Jayawardhena, Kuckertz, Karjaluoto and Kautonen (2009) found that perceived control is an antecedent of consumer permission to companies to send them mobile marketing messages. More control might make customers also less annoyed and critical about other types of commercial communication.

A common problem in marketing research is survey fatigue. Because customers are approached too often by students, scholars and marketing research agencies to participate in surveys or panel discussions, they become bored or uninterested in taking part any further (Porter, Whitcomb and Weitzer, 2004; Laurie, Smith and Scott, 1999). When surveyed (!) about their reasons to not participate, non-respondents answer that they never got around to it, that the survey came at a bad time, that they were too busy (Sosdian and Sharp, 1980) and that they perceived the survey to be irrelevant to their daily life (Asiu, Antons and Fultz, 1998). Future research should find out whether these concerns about time and relevancy can be overcome by offering respondents more control over when and on what they are being surveyed.

Customer control is not limited to the production of products and services; it extends to the production of meaning. Consumers are not just passive receptacles of brand identities projected by marketers; they are active co-producers of brand meanings (Cova 1996; Fuat Firat and Venkatesh, 1993; Ritson and Elliott, 1999). Traditionally, the firm develops a brand’s image and communicates this brand image through (one-way) promotional activities. Through the internet, however, consumers are now empowered to interact with brands and other consumers but also to create their own content on user generated content sites. This content may support the brand’s image or not. One example of the latter is an Apple customer who posted a video on the internet (www.ipodsdirtysecret.com) about a faulty ipod battery. More than 2.5 million people watched the video, which made a dent in Apple’s image. Apple felt forced to change its policy of not replacing dead batteries (the customer needed to buy a new ipod instead) shortly afterwards. An example of customers resisting the change of a brand image is a group of Porsche owners, who opposed fiercely against a change of Porsche’s image resulting from the introduction by Porsche of a 4x4.

Greater attention to co-created marketing images is warranted, given the empowerment of consumers through the Internet and customers’ militancy in protecting their brand icons (Levine, Locke, Searls and Weinberger, 2001). The relevant question for both academics and
marketing professionals is how to build and maintain a brand image not for, but with customers. The traditional stance of “guarding the brand” may not work anymore. Instead, the firm has to be a host, facilitating participation and conversation among and between customers and the brand in brand communities (Christodoulides, 2009; Popoli, 2011).

In the context of product development, research has shown that customer empowerment enables firms to develop better products and at the same time reduce costs and risks if customers are willing and able to deliver valuable input. Customer input is valuable for instance when the firm wants to improve existing products, design new ones or chooses which product design has to be produced (Fuchs and Schreier, 2011). Research has also suggested types of consumers which may be willing and able to participate in co-created product development, like innovators, lead users and emergent consumers (Hoyer, Chandy, Dorotic, Krafft and Singh, 2010). There are, however, also several problems and unanswered questions with regard to co-created product development. First, co-created product development implies sharing ideas about new products with consumers, and through them with competitors (concern for secrecy). Second, co-creation of products or services raises tricky questions about ownership and intellectual rights. Third, involving customers in product development may lead to many new ideas (information overload) of which most are not feasible (from a production point of view)(Hoyer, Chandy, Dorotic, Krafft and Singh, 2010). More importantly, research has mainly focused on these firm-related issues. There is a need for research on the motivation of and outcomes for customers to be engaged in co-creating new products (Hoyer, Chandy, Dorotic, Krafft and Singh, 2010).

5.5 Critical perspective on empowerment and co-creation of value

In this dissertation, we empirically examined some of the basic assumptions about control, which underlie the notions of customer empowerment and co-creation of value. Empowerment of consumers and co-creation of value as new paradigms in marketing have captured the imagination of many scholars and practitioners, but they have also provoked debate about the ideology behind these new marketing concepts. We feel our dissertation – while perhaps not contributing to resolve this debate- should not end without acknowledging it.

Many scholars and practitioners embrace co-creation as an ideal situation in which newly empowered, entrepreneurial, and liberated consumers are in charge and voluntarily
participate in, and contribute to the production of value for themselves and competitive advantage and market opportunities for the company. In other words: they see co-creation as a win-win situation.

Some authors, however, argue that true empowerment and co-creation is a fiction, because the organization still calls the shots. The firm defines to what extent consumers have which choices (Pires, Stanton and Rita, 2006), professionals ‘frame’ and limit available options to the ones acceptable to them (Newholm, Laing and Hogg, 2006) and firms keep exploiting the information asymmetries that exist (Singer, Ross and Avery, 2005). These authors argue that the language of relationship, satisfaction and freedom pervading the professional discourse on co-creation is completely disconnected from the reality of increasingly rationalized and dehumanizing systems of service production and distribution (Zwick, Bonsu and Darmody, 2008).

Others argue that empowerment and co-creation have disadvantages for consumers because they have to spend more time than previously making decisions (Newholm, Laing and Hogg, 2006), because they take the risk and bear the responsibility of their choice (Newholm, Laing and Hogg, 2006; Shankar, Smith and Rangaswamy, 2006) and because the decisions they have to make are more complex (Davies and Elliott, 2006).

Other views are even more adamant in their criticism. By constructing consumers as partners in mutually beneficial innovation and production processes —some argue— companies exploit consumer labor. The company offers customers no more than value propositions, whereas the realization of actual use value is dependent upon consumers’ added labor input. Co-creation establishes a relationship with consumers in which they are exploited by voluntarily providing unwaged, yet enjoyed labor. Thus, co-creation is no more than an advanced strategy for capitalist accumulation and consumer control (Zwick, Bonsu and Darmody, 2008).

The exploitation of consumers takes place on two levels. First, consumers are not paid for the know-how, enthusiasm, ideas and cooperation they contribute to the designing, developing and manufacturing processes of goods and services. Second, they are likely to pay a price premium for their own co-created services and products, since the price of these co-created products and services is likely to be higher than through rationalized systems of standardized production (Cova, Dalli and Zwick, 2011). In other words: “the customer labor
that goes into customizing goods and services ends up increasing the price the same customers have to pay for their creations” (Cova, Dalli and Zwick, 2011, p. 234).

Co-creation of value—the critics argue—is not giving more control to the customer, but on the contrary, a subtle way to insert brands and products even more deeply into consumer life by enlisting consumers as permanent members of the company’s production and marketing project. By enlisting consumers, firms reduce the risk of consumer behavior evolving in ways other than prescribed by the company. The firm remains in control (Cova, Dalli and Zwick, 2011).

There are certainly examples where customer contribution is considered exploitation by the co-creating customers themselves. In the early days of internet, a few friends started the website startpagina.nl, which produced a myriad of starting pages containing hyperlinks to interesting web pages on specific topics. The pages were developed and maintained by a small army of unpaid and voluntary moderators (customers), who considered their contribution a hobby. Their view of their contribution as a hobby changed dramatically when the friends sold startpage.nl to media conglomerate VNU for 13.5 million Euro. The event raised many questions, for instance about the ownership of property or intellectual rights of co-created services.

Questions about ownership, intellectual rights and exploitation may also be raised in the case of firms like Youtube, Second Life and Facebook. These firms—like startpagina.nl—collect, market and sell customer contributions. Different from startpagina.nl, however, these contributions are often personal. In the case of Youtube, customers upload their (private) videos. Youtube adds advertising to the most popular clips and sells this advertising space to interested firms. The customer now has to endure a 20 second commercial before his uploaded video starts. In the case of Linden Lab—the owner of Second Life—customers contribute in many ways. They create their own virtual characters (avatar) and produce virtual products or services, which can be exchanged against Linden Dollars. They may even contribute to the platform by improving and developing the game’s underlying code. Linden Lab markets this co-created world back to customers and firms, who pay for an account. Customers on Facebook provide personal data, movies, stories, photos, experiences, likes and dislikes and the firm provides a platform to exchange this content. Many customers
enjoy Facebook and think of the company as a great benefactor who brings people into contact with each other and creates a new transparent and connected world (Van Hoogstraten, 2012). What people often do not realize, is that the information they happily provide is sold by Facebook to the highest bidder, who now knows exactly how, where and what to sell to whom. The customer suddenly sees a banner appearing on his Facebook-page, notifying him that his friends John, Paul and Mary liked this new book, that brand of beer or any particular website.

The business model of Facebook does not only raise questions about ownership, intellectual rights and exploitation, but also about privacy. Facebook recently (June 2012) acquired Face.com, a company which develops software for face-recognition. Face.com already has a database of 30 billion pictures, but combined with 250 million pictures uploaded daily by Facebook-users worldwide (and all other personal information about these users already on file), Facebook is in a position to sell specific and intimate details of the lives of nearly one billion users. The empowered Facebook-user who co-created the platform may find it hard to disentangle himself from Facebook and erase his personal tracks on the platform without reading page-long how-to websites, which invariably end with the warning: “Be aware that Facebook may still retain information from your account in their databases (they have been unclear about whether they do this)”(www.Wikihow.com).

Perhaps this example signals a trend towards a new marketing orientation. Whereas the service-dominant view of marketing has seen a change from a “marketing to consumers” orientation to a “marketing with consumers” orientation, Facebook may be considered an example of a “marketing of consumers” orientation: customers are not the consumer of the product; they are not the co-producer of the product; they are the product.

For all practical purposes, however, the relevant question may not be whether empowerment and co-creation constitute consumer exploitation, but whether empowerment and co-creation are perceived by consumers as such. Undoubtedly, such a perception would have dire consequences for the firm’s image. To avoid this, firms are perhaps best advised to treat customers as an end, never merely as a means to an end. This paraphrase of Immanuel Kant’s well-known philosophical statement of right action directs
the firm to not treat customers as mere inanimate tools to be used, perhaps broken, to reach their own goals, but rather to treat customers as sentient beings with goals of their own, and to cooperate with them so that each may move closer to his or her own desired goals. There are both idealistic and pragmatic reasons for a firm to behave this way. Idealistically, it is wrong to exploit your customers. Pragmatically, it is counterproductive in the long run, as together or separately, customers who hold a grudge against you will despise you and do all they can to bring your firm down. To treat people as an end, and never merely as a means to an end should be a principle guiding not just the relation between service providers and consumers, but a principle guiding the relationship between all humans, whatever their role in life. Firms should not just be concerned about control for their own benefits, but also to satisfy the diverse needs of their customers. If they are not truly dedicated to make the dance an enjoyable experience for their dance-partner, they may soon find themselves out of partners to dance with.

5.6 References


Appendix 1 Measurement Scales Study 1

Clarity
1. Do you notice any ambiguity, vagueness or indistinctiveness/blurriness of the questions?

Realism
Adapted from Maxham, 2001; Goodwin and Ross, 1992; Ok, 1999; Ok, 2004.
1. I think something similar could happen to me: very unlikely - very likely
2. The situation in the video is: very realistic – very unrealistic
3. The actors in the video are: very credible – very uncredible
4. The quality of the video is: very low – very high

Confounding
1. Which differences have you noticed between the two videos?

Perceived Desire for Control
Adapted from the Desired Control Scale (Reid and Zeigler 1981), the Locus of Desired Control Scale (Reid, Haas and Dawkins, 1977) and the Desire for Control Scale (Burger and Cooper, 1979). Cronbach’s Alpha = .97.
1. I wanted to influence the appointment with the bank employee
2. I wanted to have a choice in the negotiations with the bank employee
3. I wanted to decide myself with regard to the appointment with the bank employee
4. I did not want the bank to determine the interaction
5. I wanted to participate and contribute to the consultation with the bank employee
6. I wanted lots of information about the appointment from the bank employee
7. I wanted to influence the terms and conditions of the loan
8. I wanted to have a choice in the terms and conditions of the loan
9. I wanted to decide for myself with regard to the terms and conditions of the loan
10. I did not want the bank to determine the terms and conditions of the loan
11. I wanted to change the terms and conditions of the loan
12. I wanted to participate and contribute to the terms and conditions of the loan
13. I wanted lots of information about the terms and conditions of the loan from the bank employee

Perceived Capacity for Control
Adapted from Spreitzer’s (1995) Competence scale. Cronbach’s Alpha = .95.
1. I have the skills to influence the appointment with the bank employee
2. I have the knowledge to influence the negotiations with the bank employee
3. I have the qualities to influence the interaction with the bank employee
4. I have the traits to influence the discussion with the bank employee
5. I have the skills to influence the terms and conditions of the loan
6. I have the knowledge to influence the terms and conditions of the loan
7. I have the qualities to influence the terms and conditions of the loan
8. I have the traits to influence the terms and conditions of the loan
Perceived Opportunity for Control
Adapted from the Desired Control Scale (Reid and Zeigler 1981), the Locus of Desired Control Scale (Reid, Haas and Dawkins, 1977) and the Desire for Control Scale (Burger and Cooper, 1979). Cronbach’s Alpha = .94.
1. The bank offered me the opportunity to influence the appointment with the bank employee
2. The bank offered me the opportunity to choose in the negotiations with the bank employee
3. The bank offered me the opportunity to decide with regard to the appointment with the bank employee
4. The bank did not determine the interaction
5. The bank stimulated my participation and contribution to the negotiations
6. The bank offered lots of information about the appointment
7. The bank offered the opportunity to influence the terms and conditions of the loan
8. The bank offered a choice with regard to the terms and conditions of the loan
9. The bank offered the opportunity to decide with regard to the terms and conditions of the loan
10. The bank did not determine the terms and conditions of the loan
11. The bank was willing to change the terms and conditions of the loan
12. The bank stimulated my participation and contribution to the terms and conditions of the loan

Satisfaction with Self
Adapted from Oliver and Swan’s (1989) Satisfaction scale and Matzler, Faullant, Renzl and Laiter’s (2005) Satisfaction with the Own Performance scale. Cronbach’s Alpha = .87
1. I am satisfied with myself
2. I am contented with myself
3. I did a good job
4. I made a good decision visiting that bank
5. I am happy with myself

Satisfaction with the service provider
Adapted from Oliver and Swan’s (1989) Satisfaction scale. Cronbach’s Alpha = .94.
1. I am satisfied with the bank employee
2. I am contented with the bank employee
3. The bank employee did a good job
4. The bank employee did what I expected of her
5. I am happy with the bank employee

Satisfaction with the outcome
Adapted from Oliver and Swan’s (1989) Satisfaction scale. Cronbach’s Alpha = .94.
1. I am satisfied with the terms and conditions of the loan
2. I am contented with the terms and conditions of the loan
3. The terms and conditions of the loan fit my situation
4. It would be wise to agree with the terms and conditions of the loan
5. I am happy with the terms and conditions of the loan
Satisfaction with the process
Adapted from Oliver and Swan’s (1989) Satisfaction scale. Cronbach’s Alpha = .95.
1. I am satisfied about the interactions and negotiations with the bank employees
2. I am contended about interactions and negotiations with the bank employees
3. The way the bank employees treated me during the interactions and negotiations suited me well
4. I agree with the way the bank employees treated me during the interactions and negotiations
5. I am happy with the interactions and negotiations with the bank employees

Demographics
1. What is your age?
2. Are you a Bachelor or master student?
3. In which year of the curriculum are you?
4. Are you male or female?
5. How do you estimate your own financial knowledge and skills?
6. Have you ever taken out a loan with a bank?
### Appendix 2 Example script from Study 1

<table>
<thead>
<tr>
<th>Scene 1</th>
<th>Scenario 1.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locatie:</td>
<td>Typische studentenkamer</td>
</tr>
<tr>
<td>Acteur:</td>
<td>Student (Suzanne)</td>
</tr>
<tr>
<td>Camera-positie:</td>
<td>Opzij van Suzanne, meekijkend op de computer en in boeken.</td>
</tr>
<tr>
<td>Actie:</td>
<td>Suzanne zit achter de PC, kijkt op het scherm en bladert af en toe in het boek &quot;Personal Finance for Dummies&quot; (HD) en zucht (LC)</td>
</tr>
<tr>
<td>Tijdsduur:</td>
<td>30 seconden</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scene 2</th>
<th>Scenario 2.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locatie:</td>
<td>Woonkamer vader</td>
</tr>
<tr>
<td>Acteur:</td>
<td>Student en vader</td>
</tr>
<tr>
<td>Camera-positie:</td>
<td>Over schouder student en shot van beide</td>
</tr>
<tr>
<td>Actie:</td>
<td>Student op bezoek bij vader en ze spreken over af te sluiten lening.</td>
</tr>
<tr>
<td>Dialoog:</td>
<td>Student: Hoi pa, kan ik je even spreken? Vader: Ja natuurlijk, waarover? Student: Weet je nog die master in Amerika waar we het over hebben gehad? Die wil ik toch echt gaan doen, maar ik heb eens naar de kosten gekeken en het gaat mij zelf niet lukken om dat te betalen. Vader: Wat kost die Master dan? Student: Die kost 30.000 euro. Maar ik ben van plan om daarvoor bij de Rabobank een lening aan te vragen. Het is mijn Master, dus ik wil zelf bij de Rabobank de beste lening voor mezelf uitzoeken (HD). Vader: OK, moet ik misschien met je meegaan naar dat gesprek bij de bank?</td>
</tr>
</tbody>
</table>
Nee, ik wil dit graag zelf uitzoeken en regelen (HD). Ook al heb ik geen verstand van geldzaken (LC). Ik heb ook nog nooit vakken als bedrijfseconomie of algemene economie gehad (LC).

Dat is ook zo. Maar moet je je dan niet eens gaan verdiepen in geldzaken zodat je weet waar je voor tekent straks bij de bank?

Dat wil ik ook wel (HD). Ik heb dat boek Personal Finance for Dummies dat je me hebt gegeven al helemaal gelezen (HD), maar ik snap er niks van (LC).

Ben je niet bang dat zo’n adviseur van de Rabobank je een lening aanpraat die je helemaal niet wilt?

Nou, als ie dat probeert, dan ga ik me toch verzetten (HD). Ik ga tijdens dat gesprek in elk geval mijn best doen om een goeie deal te krijgen (HD), ook al is het moeilijke materie voor mij (LC).

Volgens mij ben je een slechte onderhandelaar (LC). In discussies met mij of met je broer trek je ook altijd aan het kortste eind (LC).

Maar dit keer ga ik toch proberen de touwtjes zelf in handen te houden (HD). Ik wil zelf kunnen beslissen en kiezen bij deze lening (HD), ook al snap ik het misschien niet helemaal (LC).

Ik wens je veel succes bij het gesprek.

Dank je wel. Doe je de groeten aan mama?

Doe ik. Dag.

Doei.

Tijds-duur: 90 seconden

Scene 3

Scenario 3.3
Locatie: Typische studentenkamer
Acteur: Student
Camerapositi e: Van opzij tijdens het bellen
Actie: Student belt Rabobank receptioniste voor het maken van een afspraak.
Dialoog: Student wacht 5 seconden
Student: Dag, u spreekt met Suzanne de Vries. Ik zou graag een afspraak willen maken voor het afsluiten van een lening. Zou dat op vrijdag kunnen, dan heb ik geen colleges. (HD)
Student wacht 5 seconden
Student:
O, dat kan op vrijdagochtend.. (HO) Vrijdagmiddag zou mij 
beter uitkomen, kan dat ook? (HD)

Student
wacht
5 seconden

Student:
O, ik mag het zeggen (HO)? Nou, dan graag om twee uur 
(HD). Zou het kunnen bij de Rabobank hier om de hoek?(HD)

Student
wacht
5 seconden

Student:
Kan het zelfs bij mij thuis? (HO) Dat is helemaal mooi, maar 
dat hoeft niet (HD) . De Rabobank op de hoek is prima. Kunt 
u mij al wat informatie toesturen over leningen, dan kan ik 
me beter voorbereiden? (HD)

Student
wacht
5 seconden

Doet u maar per mail, dat is het snelste, dan heb ik meer tijd 
om het te lezen (HO HD). Kunt u me al vertellen met wie ik 
ga spreken, dan weet ik naar wie ik moet vragen (HD)

Student
wacht
5 seconden

Mag ik zelf kiezen?(HO) Dat is mooi (HD) Graag een ervaren 
iemand, want ik heb wel wat specifieke wensen en vragen 
(HD)

Student
wacht
5 seconden

Nou, dan graag Petra Janssen (HD) Fijn (HD) Vrijdagmiddag 
twee uur dan bij de Rabobank hier op de hoek. Fijn dat dat 
can (HD)

Student
wacht
5 seconden

Suzanne de Vries, ja..... Tot dan.

Student
wacht
5 seconden

Tijdsduur:
30
seconden

Scene 4
Scenario 4.1
Locatie: Kantoor adviseur Rabobank
Acteurs: Adviseur en student
Camerapositie : Achter de student, meekijkend over diens schouder naar 
adviseur.
Actie: Student zit, adviseur gaat net zitten en heeft een PC ter 
beschikking. Student en adviseur beginnen een gesprek over 
de lening.
Student: Hoi, Suzanne de Vries, aangenaam.
Adviseur: Bent u al klant van de Rabobank?
Student: Nee ik ben nog geen klant van Rabobank.
Adviseur: Oké, waarmee kan ik u van dienst zijn?
Student: Nou, ik wil voor mijn studie volgend jaar een Master in het buitenland volgen. Dit kan ik niet zelf bekostigen, dus ik wil een lening afsluiten.
Adviseur: Wat goed dat je je Master in het buitenland wilt gaan doen, waar wil je gaan studeren?
Student: In Amerika, ik heb me ingeschreven bij verschillende universiteiten en ik hoop binnenkort te horen of ik toegelaten ben.
Adviseur: Hoeveel geld denk je nodig te hebben om deze Master te financieren?
Student: Als ik de woonlasten, collegegeld, boeken en de kosten van levensonderhoud bij elkaar optel, kom ik uit op een bedrag van 30.000 euro.
Adviseur: Heb je zelf al gekeken naar de mogelijkheden voor leningen bij de Rabobank?
Student: Ja, ik heb me al proberen te verdiepen in de verschillende soorten leningen en voorwaarden (HD), maar ik vind het moeilijke stof. (LC). Ik heb dus wel wat vragen want ik wil een goede keus maken (HD).
Adviseur: Oké, wat zou je willen weten? (HO)
Student: Ik heb gelezen dat jullie een studielening aanbieden met een bepaalde rente en looptijd (HD), maar ik heb er weinig verstand van (LC).
Adviseur: Wat ik me afvraag is of het ook mogelijk is om van de voorwaarden af te wijken? (HD)
Adviseur: Ja, er zijn verschillende mogelijkheden. We kunnen je een aflossingplan op maat aanbieden. Wil je bijvoorbeeld variabele of vaste rente? Wil je afgeloste bedragen weer opnieuw op kunnen nemen? Wil je onbeperkt en zonder kosten extra willen aflossen? (HO)
Student: Oké, fijn dat de opties er zijn (HD). Is het ook mogelijk om de aflossing te verhogen of te verlagen als mijn salaris stijgt of daalt? (HD & LA)
Adviseur: Ja dat is een optie. De aflossing kan verhoogd of verlaagd worden als je salaris stijgt of daalt (HO)
Student: En hoe lang is de looptijd van de studielening, en wat is de rente? (HO)
Adviseur: De rente kan variëren, afhankelijk van de looptijd.
<table>
<thead>
<tr>
<th>Student:</th>
<th>Zou u voor mij een offerte willen maken voor een studielening van 30.000 euro met 7 jaar looptijd, een vaste rente van 7% en de mogelijkheid om de aflossing te verhogen als mijn salaris stijgt?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adviseur:</td>
<td>Dat zal ik doen</td>
</tr>
<tr>
<td>Tijdsduur:</td>
<td>150 seconden</td>
</tr>
</tbody>
</table>

### Scene 5

<table>
<thead>
<tr>
<th>Locatie:</th>
<th>Kantoor adviseur Rabobank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acteurs:</td>
<td>Adviseur en student</td>
</tr>
<tr>
<td>Camerapositie:</td>
<td>Achter de student, meekijkend over diens schouder naar adviseur.</td>
</tr>
<tr>
<td>Dialog:</td>
<td>Adviseur: Alstublieft, dit is het contract zoals we besproken hebben, een standaardpakket met 7 jaar looptijd, een rentepercentage van 8%. Het bedrag is 30.000 euro. Deze offerte is 3 weken geldig. Ik geef het aan je mee zodat je het thuis nog eens rustig door kan lezen.</td>
</tr>
<tr>
<td>Student:</td>
<td>Als ik nog vragen heb, kan ik die dan nog later stellen? (HD)</td>
</tr>
<tr>
<td>Adviseur:</td>
<td>Dan kun je mij altijd bellen of e-mailen, hier is mijn kaartje. (HO)</td>
</tr>
<tr>
<td>Student:</td>
<td>OK</td>
</tr>
<tr>
<td>Adviseur:</td>
<td>Succes met je Master en ik hoop je goed van dienst te zijn geweest.</td>
</tr>
<tr>
<td>Student:</td>
<td>U hoort nog van mij</td>
</tr>
<tr>
<td>Tijdsduur:</td>
<td>45 seconden</td>
</tr>
</tbody>
</table>

### Afsluiting

<table>
<thead>
<tr>
<th>Locatie:</th>
<th>Scene 4 fade out naar zwart beeld</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice over:</td>
<td>Hoe heb je dit gesprek ervaren, en wat zou je gaan doen?</td>
</tr>
<tr>
<td>Tijdsduur:</td>
<td>5 seconden</td>
</tr>
</tbody>
</table>
You need a loan,
talk to your father,
make an appointment,
visit the bank,
talk to the bank employee,

receive a proposal,

and leave the bank.
Appendix 3 Measurement Scales Study 2

**Behavioral Control process** (Cronbach’s Alpha = .89)
1. The firm gave me ample opportunity to explain my views on the complaint.
2. The firm gave me ample opportunity to express my feelings about the complaint.
3. The firm gave me the opportunity to influence the process used to solve the problem.
4. The firm was willing to adapt the complaint procedure to my needs.

**Behavioral Control outcome** (Cronbach’s Alpha = .91)
1. The firm gave me ample opportunity to explain my views on how the complaint should be resolved.
2. The firm gave me ample opportunity to express my feelings about how the complaint should be resolved.
3. The firm gave me ample opportunity to influence the outcomes of the complaint-handling process.
4. The firm was willing to adapt the outcome to my needs.

**Cognitive Control process** (Cronbach’s Alpha = .89)
Adapted from Faranda (2001)
1. The complaint procedure was clear to me
2. I was well informed about the complaint procedure
3. I knew what to do during the complaint procedure
4. I felt educated about the complaint procedure
5. I felt helpless during the complaint procedure
6. I felt incapable during the complaint procedure
7. I felt weak during the complaint procedure

**Cognitive Control outcome** (Cronbach’s Alpha = .90)
Adapted from Faranda (2001)
1. The complaint outcome was made clear to me
2. I was well informed about the complaint outcome
3. I knew what to do during the complaint outcome
4. I felt educated about the complaint outcome
5. I felt helpless about the complaint outcome
6. I felt incapable about the complaint outcome
7. I felt weak about the complaint outcome

**Decisional Control process** (Cronbach’s Alpha = .87)
1. The firm provided me with a choice of complaint options (like face-to-face, in writing or by telephone).
2. The firm provided me with one or more complaint options (like face-to-face, in writing or by telephone) which appealed to me.
3. The firm provided me with a complaint option which appealed to me.

**Decisional Control outcome** (Cronbach’s Alpha = .85)
1. The firm provided me with a choice of recovery options (like restitution or repair).
2. The firm provided one or more recovery options (like restitution or repair) which appealed to me.
3. The firm provided me with different recovery options.
4. The firm let me decide on whether I accepted or rejected the recovery.

**Timeliness (Cronbach’s Alpha = .96)**
Adapted from Davidow (2000).
1. The company responded quickly to my complaint.
2. The complaint handling process in this company is quick.
3. The speed of the company’s response to my complaint was very adequate.

**Facilitation (Cronbach’s Alpha = .84)**
Adapted from Davidow (2000).
1. It was easy to determine where to lodge my complaint.
2. Company policies made it clear how to complain.
3. It was hard to figure out where to complain in this company.

**Distributive Justice (Cronbach’s Alpha = .97)**
Adapted from Maxham III and Netemeyer (2003).
1. Although the event caused me problems, (firm’s) effort to fix it resulted in a very positive outcome for me.
2. The final outcome I received from (firm) was fair, given the time and hassle.
3. Given the inconvenience caused by the problem, the outcome I received from (firm) was fair.
4. The service recovery outcome that I received in response to the problem was more than fair.

**Interactional Justice (Cronbach’s Alpha = .95)**
Adapted from Maxham III and Netemeyer (2003).
1. In dealing with my problem, (firm) personnel treated me in a courteous manner.
2. During their effort to fix my problem, (firm) employee(s) showed a real interest in trying to be fair.
3. (Firm name) employee(s) worked as hard as possible for me during the recovery effort.
4. (Firm name) employee(s) were honest and ethical in dealing with me during their fixing of my problem.

**Procedural Justice (Cronbach’s Alpha = .96)**
Adapted from Maxham and Netemeyer (2003).
1. Despite the hassle caused by the problem, the firm responded fairly
2. I believe the firm has fair policies and practices to handle problems
3. With respect to its policies and procedures, the firm handled the problem in a fair manner.

**Recovery Satisfaction (Cronbach’s Alpha = .94)**
Adapted from Maxham III and Netemeyer (2003).
1. In my opinion, the firm provided a satisfactory resolution to my problem on this particular occasion.
2. I am not satisfied with the firm's handling of this particular problem.
3. Regarding this particular event (most recent problem), I am satisfied with the firm.

**Cumulative Satisfaction (Cronbach’s Alpha = .93)**
Adapted from Maxham III and Netemeyer (2003).
1. I am satisfied with my overall experience with this firm.
2. As a whole, I am not satisfied with this firm.
3. How satisfied are you overall with the quality of this firm?

**Loyalty (Cronbach’s Alpha = .97)**
Adapted from Maxham III and Netemeyer (2003).
1. In the future, I intend to use the firm for purchases.
2. If you were in the market for a similar product or service, how likely would you be to use the firm?
3. In the near future, I will not use this firm as my provider.

**Positive Word of Mouth (Cronbach’s Alpha = .98)**
Adapted from Maxham III and Netemeyer (2003).
1. How likely are you to spread positive word of mouth about the firm?
2. I would recommend this firm to my friends.
3. If my friends were looking to purchase a similar product or service, I would tell them to try this firm.

Veel aanbieders van producten en diensten hebben moeite om zich aan te passen aan deze empowered consument. Ze zijn van oudsher gewend om beter geïnformeerd te zijn dan hun klanten, en geven die machtspositie niet graag op. Sommige aanbieders proberen van de nood een deugd te maken door hun klanten een actievere rol te geven en meer te betrekken bij de ontwikkeling en de productie van diensten of goederen. Ze laten klanten bijvoorbeeld meebeslissen over -en meewerken aan- nieuwe producten, diensten of reclamecampagnes. De idee is dat bedrijven en klanten waarde creëren voor zichzelf en voor elkaar door samen te werken: co-creatie van waarde.

De achterliggende veronderstelling van empowerment is dat consumenten meer controle willen over hun relatie met aanbieders, de achterliggende veronderstelling van co-creatie van waarde is dat consumenten profijt ervaren van het hebben van meer controle over die relatie. Beide veronderstellingen zijn echter niet onomstreden. Zitten consumenten wel in alle gevallen te wachten op meer controle, en levert dat ook altijd voordeel en tevredenheid op? En hoe werkt dat dan? Op welke manieren kan een klant meer controle ervaren? Omdat empowerment en co-creatie van waarde zowel door onderzoekers als professionals als belangrijke ontwikkelingen in de marketing worden gezien, zijn dit relevante vragen om te beantwoorden. Het doel van deze dissertatie is dan ook om –tegen de achtergrond van ontwikkelingen als empowerment en co-creatie van waarde- bij te dragen aan een beter begrip van de rol en het effect van controle in dienstverlening. Meer
specifiek beantwoordt deze dissertatie drie vragen over de rol en het effect van controle in drie aparte studies.

De eerste studie (Hoofdstuk 2) stelt de vraag of de consument meer controle in de relatie met een dienstverlener ook altijd als beter ervaart. Bestaande literatuur gaat er vaak vanuit dat mensen meer tevreden zijn als de situatie hun de gelegenheid biedt om controle uit te oefenen (opportunity for control) en ze zelf de vaardigheid hebben om ook daadwerkelijk van die mogelijkheden gebruik te maken (capacity for control). Onze studie veronderstelt echter dat mensen niet altijd, in elke situatie, zelf behoefte hebben aan controle (desire for control). Bijvoorbeeld omdat ze bang zijn voor de verantwoordelijkheid die daarmee gepaard gaat, omdat ze denken dat de dienstverlener veel deskundiger is, of omdat ze de dienst helemaal niet belangrijk vinden. In dat soort gevallen zou meer controle wel eens een negatief effect kunnen hebben: de consument voelt zich belast met controle, en is juist minder tevreden over de dienstverlening. De onderzoeks vraag is: Hoe beïnvloedt desire for control de houding en het gedrag van consumenten?

Om dat te weten te komen werd een experiment uitgevoerd. In 8 verschillende video-clips werden opportunity, capacity en desire for control hoog en laag gemanipuleerd. De video-clips werden getoond aan 379 proefpersonen, die vervolgens een uitgebreide vragenlijst invulden. Nadat gebleken was dat de manipulatie gelukt was, werd de veronderstelling getoetst.

De resultaten bevestigen onze veronderstelling. Meer opportunity en capacity for control leiden niet automatisch tot een hogere tevredenheid. De tevredenheid van de consument (met de dienstverlener, met de uitkomst, met het proces en met zichzelf) is het hoogst als opportunity en capacity overeenstemmen met desire for control. De tevredenheid is lager als opportunity en capacity hoger zijn dan desire, en het laagst als opportunity en capacity lager zijn dan desire for control. Anders gezegd: het is niet de hoogte van capacity en opportunity die de tevredenheid bepaalt, maar de consistentie met desire for control. Consistentie met desire for control heeft niet alleen een positief effect op attitudes zoals tevredenheid, maar ook op gedrag zoals loyaliteit en mond tot mond reclame.
De belangrijkste conclusie van studie 1 is dan ook dat het effect van controle meer voorwaardelijk en complex is dan voorheen werd aangenomen: meer controle is niet altijd beter; het is pas beter als het ook wordt gewenst.

De tweede studie (Hoofdstuk 3) stelt de vraag of controle meer is dan de keus hebben. Bestaande literatuur gaat er vaak vanuit dat controle hebben gelijk staat aan de keus hebben: wie kan kiezen, heeft immers controle. Onze studie stelt dat een gevoel van controle niet alleen het gevolg is van de keus hebben (decisional control), maar ook het gevolg kan zijn van de mogelijkheid om direct actie te ondernemen (behavioral control) en van de mogelijkheid om een gebeurtenis of situatie te kunnen begrijpen (cognitive control).

Die drie typen van controle kunnen betrekking hebben op de uitkomst van een situatie of gebeurtenis (outcome control) of op het proces (process control). Het effect van deze vormen van controle werd onderzocht binnen de context van klachtafhandeling van bedrijven. De onderzoeks vraag is: Wat is het effect van drie typen control (behavioral, cognitive en decisional) van twee objecten van control (outcome en process) op de ervaren billijkheid (distributive, interactional en procedural justice) tijdens een klachtafhandeling?

Om die vraag te beantwoorden werd een enquête uitgevoerd bij 243 consumenten. In die enquête werden vragen gesteld over de laatste keer dat die consument een klacht had ingediend bij een ondernemer: hoe reageerde de ondernemer, hoeveel (decisional, behavioral en cognitive) controle (van outcome en process) heeft de klant daarbij ervaren, hoe billijk en redelijk vond hij de gang van zaken en hoe tevreden was hij over het proces van de klachtafhandeling en over de uitkomst?

De resultaten wijzen uit dat niet alleen decisional control, maar ook behavioral en cognitive control van zowel de uitkomst als het proces van klachtafhandeling een positief effect hebben op de door de consument ervaren rechtvaardigheid van de uitkomst, de interactie en de procedure tijdens de klachtafhandeling. Die ervaren rechtvaardigheid heeft vervolgens een positief effect op de tevredenheid met de klachtafhandeling en de algehele tevredenheid over de ondernemer.

De belangrijkste conclusie van studie 2 is dan ook dat controle meer is dan alleen de keus hebben. Controle is ook de gelegenheid hebben om actie te ondernemen en de mogelijkheid hebben om een situatie te begrijpen en het verdere verloop in te kunnen
schat. Dienstverleners die klagende klanten deze vormen van controle bieden kunnen rekenen op meer tevreden en loyale klanten.

De derde studie (Hoofdstuk 4) stelt de vraag of het noodzakelijk is om persoonlijk controle te hebben om een gevoel van controle te hebben. In de literatuur bestaan hierover tegenstrijdige opvattingen. In de ene opvatting neemt je gevoel van controle af als je zelf niet in staat bent gebleken om voor elkaar te krijgen wat je wilt en daarom noodgedwongen de hulp van anderen in moet schakelen. In de andere opvatting neemt je gevoel van controle juist toe als je anderen in kunt schakelen die je kunnen helpen te bereiken wat je wilt. De derde studie onderzocht dit in de context van een conflict tussen klant en dienstverlener waarbij door de klant een onafhankelijke partij (een third party) wordt ingeschakeld om het conflict te beslechten. De onderzoeks vraag is: Welk effect heeft de interventie van een onafhankelijke derde partij in een conflict tussen klant en dienstverlener op het gevoel van controle van de consument?

Om die vraag te beantwoorden, werd een veldexperiment opgezet. 156 consumenten die de hulp hadden ingeroepen van de Geschillencommissie Consumentenzaken werden voor en na de rechtszitting geïnterviewd over hun gevoel van controle.

De resultaten wijzen uit dat de hulp van de geschillencommissie zorgt voor een toename in het gevoel van controle van de klagende consument.

De belangrijkste conclusie is dan ook dat een gevoel van controle niet alleen het gevolg is van persoonlijke controle, maar ook van controle door anderen. Wellicht is het voor het hebben van een gevoel van controle minder belangrijk wie de controle uitoefent, als zaken maar onder controle zijn.

Het afsluitende hoofdstuk (Hoofdstuk 5) bespreekt de belangrijkste resultaten en conclusies uit de drie studies.

De drie studies bevestigen de belangrijke rol die controle speelt in dienstverlening. Maar ze nuanceren die rol ook. Als eerste kan gezegd worden dat meer controle niet altijd beter is. Consumenten verschillen in hun behoefte aan controle, en als de feitelijke controle groter of kleiner is dan die behoefte is het effect negatief. De uitdaging voor zowel onderzoekers als marketing professionals is om manieren te vinden waarop je meer controle kunt aanbieden.
zonder die dwingend op te leggen. Dwingend opgelegde controle ondermijnt het gevoel van autonomie van de consument (de behoefte om zelf te bepalen wat je doet).

De tweede nuancering is dat controle meer is dan keuzes maken. Een gevoel van controle is ook het gevolg van de mogelijkheid om zelf actie te ondernemen en van de gelegenheid om de gebeurtenis te begrijpen, te interpreteren en het verdere verloop te voorspellen.

De derde nuancering is dat controle niet persoonlijk hoeft te zijn. In veel –vooral Westerse-landen ligt de nadruk sterk op het individu, en op het belang en de waarde van persoonlijk uitgeoefende controle. De impliciete tegenstelling is “ik heb controle” tegenover “anderen hebben controle” en alleen de eerste ervaring wordt verondersteld positieve effecten te hebben. Maar een andere tegenstelling is misschien even belangrijk: “dingen zijn onder controle” tegenover “dingen zijn niet onder controle”. Het zou wel eens kunnen zijn dat de menselijke behoefte aan orde, maakbaarheid en voorspelbaarheid zo groot is dat het er in veel gevallen niet toe doet wie controle uitoefent, als dingen maar onder controle zijn. Zolang de persoon of de instantie die controle uitoefent legitiem is, kunnen we ons vereenzelvigen met die persoon of instantie, en neemt ons gevoel van controle niet af, maar toe.

Hoofdstuk 5 vervolgt met aanbevelingen voor verder onderzoek. De aanbevelingen hebben betrekking op drie zaken. Als eerste de aanbeveling om verder onderzoek te doen naar de beperkingen die voortvloeien uit de keuzes die gemaakt zijn in ons onderzoek. Ons onderzoek heeft bijvoorbeeld gekozen voor het perspectief van de consument. Nieuw onderzoek zou zich kunnen richten op het perspectief van de onderneming of het perspectief van het personeel.

Als tweede de aanbeveling om onderzoek te doen naar factoren die de resultaten en conclusies van onze studies zouden kunnen beïnvloeden, maar niet meegenomen zijn in onze opzet. Individuele, situationele en culturele verschillen bijvoorbeeld zouden van invloed kunnen zijn op de resultaten.

Als derde de aanbeveling om het effect van controle te bestuderen in andere marketing contexten zoals reclame, productontwikkeling, marktonderzoek en merkbeleid.

Veel consumenten lijkt dit alles echter niet te deren. De recente geschiedenis leert wel dat het imago van bedrijven snel kan omslaan als het publieke sentiment zich tegen hen keert. Bedrijven zouden er goed aan doen om consumenten nooit alleen als middel te zien, maar tegelijkertijd ook altijd als een doel. Daar zijn praktische en idealistische redenen voor: het is onethisch om je klanten te exploiteren, en de kans is groot dat ze zich tegen je keren en hun uiterste best gaan doen om je schade te berokkenen.
Curriculum Vitæ

Herm Joosten (1962) studied Sociology at the Katholieke Universiteit Nijmegen and Law at the Universiteit van de Nederlandse Antillen. During these studies, he also obtained qualifications to teach economics and social sciences. He started his career teaching these subjects at a high school in Arnhem. Yearning to expand his horizon, he moved to sunny Curaçao in 1990, where he taught high school, took diving lessons and learned how to ride a motorcycle. Back in the Netherlands, he became principal of a private high school in Hilversum. In 1995, he expanded his horizon once more, this time moving from high school to higher professional education. As a lecturer at the Faculteit voor Economie en Management of the Hogeschool van Utrecht, he taught subjects like organizational behavior, marketing and research methodology. He especially enjoyed coordinating and teaching the in-company courses for employees of Fortis, KPN and Rabobank. At the turn of the Millennium, he returned to his alma mater to become a senior lecturer. His teaching skills earned him many “teacher of the year” awards, but – being a full-time lecturer – he did not have many opportunities to advance his skills as a researcher. He was grateful when the faculty offered him the opportunity to write a PhD. Herm took his first prudent steps and gradually gained confidence in writing research proposals, applications for research funding, contributions for academic conferences and journal articles. Outside university, Herm is an adjudicator in an arbitral tribunal, resolving disputes between consumers and firms. Herm lives with his daughter Lara (named after Lara Croft, the heroine in the famous Tomb Raider game series) in Groesbeek. He still enjoys diving and riding a motorcycle, but this time not without wearing insulating clothes.
Businesses are struggling with a new type of customer; the empowered consumer. Empowered consumers are educated, informed about competing products and services through the internet and protected by consumer laws.

The empowered consumer is knowledgeable, confident, assertive and self-reliant. He shops and buys on his own terms, instead of those dictated by stores and marketers.

Some firms are reluctant to give up control and prefer to exploit the information asymmetries that existed prior to the creation of the internet. Other firms offer more control to the customer, hoping to co-create value.

In a series of studies, Herm Joosten investigates the effects of customer control in services. Is more control always better? Is control only about having choices? Does the customer have to be personally in control?

The answers are relevant to anyone with an academic or managerial interest in ways for businesses to co-create value with their customers.