

# **When Customer Love Turns into Lasting Hate: The Effects of Relationship Strength and Time on Customer Revenge and Avoidance**

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## **WEB APPENDIX A: SUPPRESSION AND MEDIATION EFFECTS OF PERCEIVED BETRAYAL**

This appendix provides the details about the processes involving betrayal at each time period for our main study. In this appendix, the independent variable is relationship quality, the dependent variables are desires for revenge and avoidance (hereafter “revenge” and “avoidance” for simplicity), and the process variable is perceived betrayal (hereafter “betrayal”). Figure 4 and our result section at p. 17 provide evidence for the first two conditions of suppression (MacKinnon, Krull, and Lockwood 2000) or mediation (Baron and Kenny 1986). That is, 1) “relationship quality  $\rightarrow$  betrayal,” and then 2) “betrayal  $\rightarrow$  revenge, avoidance” at each time period.

To understand the rest of the processes at work (i.e., suppression or mediation), we have to examine our longitudinal patterns (see Figure 3) at each time period:

- *Time 1.* High-relationship-quality customers experience *less* revenge and avoidance. Thus, there is a “reducing” or “protection” effect of relationship quality on avoidance and revenge. Although high-relationship quality customers feel more betrayed, the quality of their relationship still prevents them from experiencing strong revenge and avoidance. Accordingly, we expect to find a *suppression* effect of betrayal at time 1.
- *Time 2.* High-relationship-quality customers experience similar revenge and avoidance as do low-relationship-quality customers. This is the “cross-over” stage

(see Figure 3). Thus, there is an *absence* of direct effects of relationship quality on the dependent variables. We observe neither a “protection” nor an “amplifying” effect of relationship quality.

- *Times 3 and 4.* High-relationship-quality customers experience greater revenge and avoidance. In these last stages, there are *amplifying* direct effects of relationship quality on revenge and avoidance. Also, for times 3 and 4, we expect to find a *mediation* effect of betrayal.

In summary, as time passes, the suppression effect is gradually replaced by mediation effects. So the “protection” effect of a relationship decreases to leave room for an “amplifying” effect. Our results support this explanation (see Figure A1).

### ***Suppression Effects of Betrayal at Time 1***

Suppression analyses have been used to uncover processes in psychology<sup>1</sup> (Tzelgov and Henik 1991; Paulhus, Robins, and Tracy 2004) and even in marketing (Baker and Sinkula 2005). Suppression is a “situation in which the magnitude of the relationship between an independent variable and a dependent variable becomes larger when a third variable is included” (MacKinnon, Krull, and Lockwood 2000, p. 174).

As shown in Figure A1, the direct effect of relationship quality on revenge at time 1 is marginally significant ( $\beta = -.05; p > .07$ ) when betrayal is not included in the model. However, the direct effect becomes significant and *negative* ( $\beta = -.08; p < .01$ ) when betrayal is added. A Sobel test reveals a significant difference in the coefficients ( $Z =$

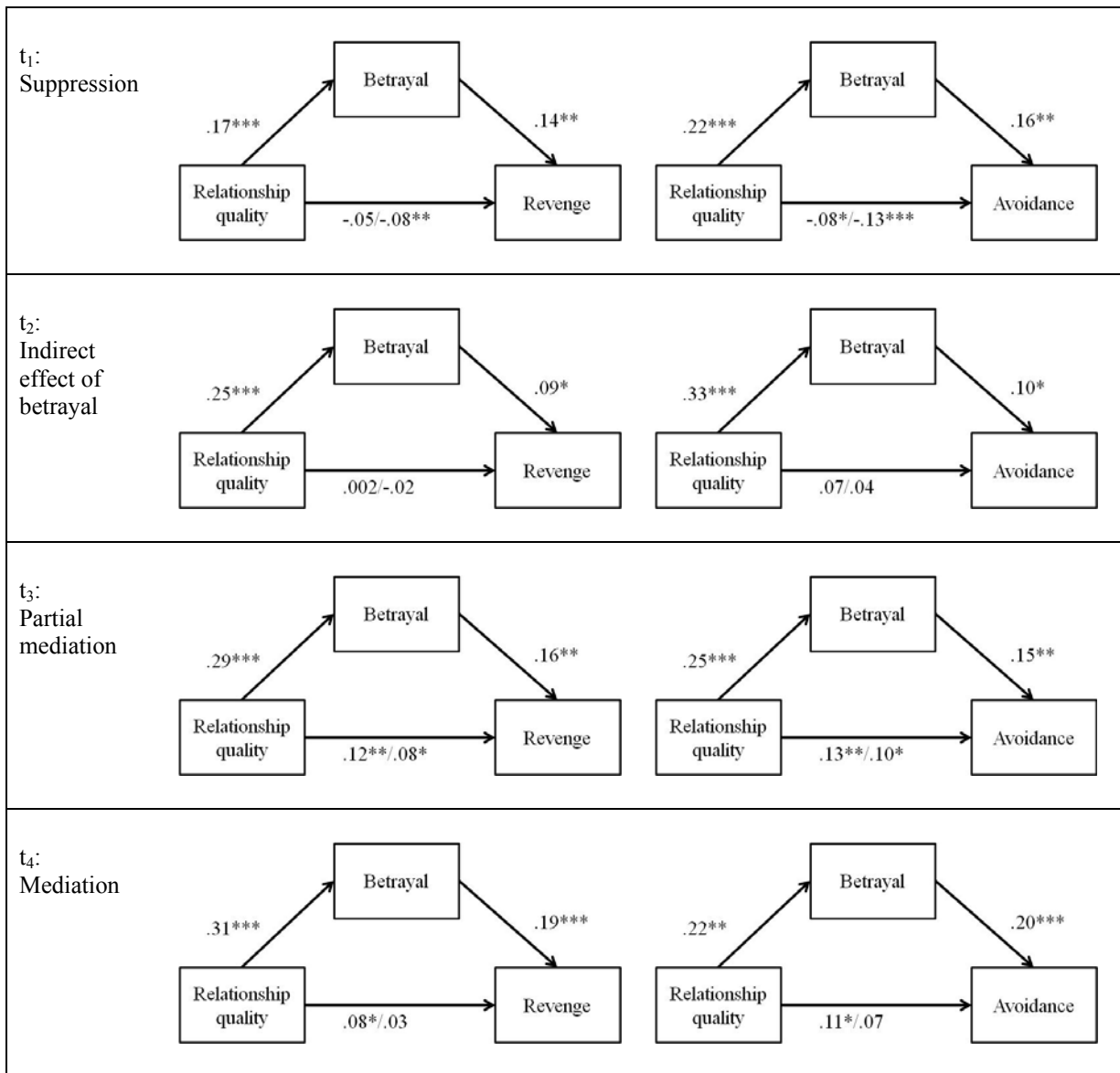
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<sup>1</sup>A classic example of suppression is the relationship between the intelligence of an assembly worker and production output (MacKinnon, Fairchild, and Fritz 2007). Intelligent workers tend to get bored at repetitive tasks. However, intelligent workers also tend to be more productive. Boredom can act as a suppressor variable. That is, intelligence, when used as a single predictor, would show no relationship with productivity. By including boredom, the direct effect of intelligence becomes significant and positive.

3.05;  $p < .01$ ), confirming the suppressor role of betrayal. Figure A1 shows the same suppressor effect of betrayal for avoidance at time 1 (Sobel:  $Z = 3.39$ ;  $p < .001$ ).

**FIGURE A1:**

**Suppression and Mediation of Betrayal for Revenge and Avoidance Desires**



Note: \*  $p < .05$ ; \*\*  $p < .01$ , \*\*\* $p < .001$ .

**Indirect Effects at Time 2**

At time 2, relationship quality had no significant effect on revenge before ( $\beta = .002$ ;  $p > .48$ ) and after ( $\beta = -.02$ ;  $p > .29$ ) the inclusion of perceived betrayal (see Figure A1). We also notice

similar results for avoidance. At time 2, we conclude an indirect effect of relationship quality on revenge and avoidance through its direct effects on betrayal.

### ***Partial Mediation Effects at Time 3***

At time 3, the direct effect of relationship quality on revenge is significant and positive ( $\beta = .12; p < .01$ ) before the inclusion of betrayal. The coefficient remains positive but its effect size is reduced ( $\beta = .08; p < .05$ ) after the inclusion of betrayal. Based on a Sobel test, the coefficient between relationship quality and revenge decreases after the inclusion of betrayal ( $Z = 1.84; p < .05$ ). This result suggests a partial mediation effect. The results are similar in the case of avoidance, and they also support partial mediation (Sobel test:  $Z = 1.91; p < .05$ ).

### ***Full Mediation Effects at Time 4***

Finally, we observe full mediation for both revenge and avoidance at time 4. The direct effect of relationship quality on avoidance ( $\beta = .11; p < .03$ ) and revenge ( $\beta = .08; p < .05$ ) are both significant and positive before the inclusion of betrayal. However, after the inclusion of the process variable (see Figures A1), both path becomes non significant ( $p$ 's  $> .25$ ). Based on these results, a full mediation effect has taken place at time 4.

### ***Discussion***

At first, although high-relationship-quality customers feel more betrayed, the quality of their relationship still reduces their revenge and avoidance. However, as times passes, the protective virtue of the relationship tends to disappear (starting at time 2). At the end (i.e., time 4), the effect of relationship quality on revenge and avoidance becomes fully explained by the perceptions of betrayal. This explanation, period by period, is consistent with our longitudinal love-becomes-hate effect. It supports the contention that the revenge of high-relationship-quality

customers decreases more slowly over time, and that their avoidance increases more rapidly over time.

### ***References***

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## WEB APPENDIX B: STIMULI FOR THE SCENARIO-BASED EXPERIMENT (STUDY 2)

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### Experiment 2: Service Failure and Failed Recovery with a Restaurant

Sebastian chose the French restaurant, “Chez Albert,” to celebrate his father’s birthday. It was a special occasion, since his father had just turned 55. *Manipulation 1.*

Sebastian and his parents went to “Chez Albert” on Saturday night. Although they had a reservation, they waited 20 minutes in the lobby before their table was ready. When they ordered, they were told that the restaurant was out of the first two entrees they had selected. The entrees were cold when they arrived and the vegetables didn't look fresh. At that point, Sebastian complained a first time to the waiter about the poor service. The waiter politely listened, but didn't correct the situation. In addition, the waiter never stopped back to check on Sebastian and his parents during the meal. After they had finished eating, the waiter dropped off the bill (around \$75.00) in a hurry. Before leaving the restaurant, Sebastian directly complained to Albert, the owner. Albert listened but refused to apologize or offer any compensation that night.

- **Questionnaire (time 1, before recovery measures), online public complaining, and a filling task.**

Two weeks later, Sebastian met Albert in the parking lot of the local supermarket. Albert said hello to Sebastian. Then, *Manipulation 2.*

- **Questionnaire (time 2, after recovery measures).**

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#### *Manipulation 1*

##### **Low Relationship Quality**

Prior to this dinner, Sebastian had never been to "Chez Albert," although he regularly visited other French restaurants (between 6 and 8 times per year). He didn't really know what to expect about the food and atmosphere at this particular restaurant.

##### **High Relationship Quality**

Prior to this dinner, Sebastian had been a loyal customer of "Chez Albert" (between 6 and 8 times per year). He enjoyed going there; considered the food very good and atmosphere warm and friendly. He felt a strong attachment to the restaurant and considered Albert (the owner) a personal friend.

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#### *Manipulation 2*

##### **No Recovery**

Albert acted like the dinner incident never happened. He still didn't offer any apology or compensation.

##### **Normal Recovery Attempt**

Albert recognized his fault for the dinner incident. He offered an apology, and gave Sebastian a gift certificate of \$50 for a next visit.

##### **High Recovery Attempt**

Albert recognized his fault for the dinner incident. He offered an apology, fully reimbursed Sebastian for the dinner (\$75), and gave him a bottle of French wine (a \$25 value).

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