

Do Negative Consumption Experiences Hurt Manufacturers or Retailers? The Influence
of Reasoning Style on Consumer Blame Attributions and Purchase Intention

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Do Negative Consumption Experiences Hurt Manufacturers or Retailers? The Influence of Reasoning Style on Consumer Blame Attributions and Purchase Intention

Negative consumption experiences adversely influence consumer perceptions of manufacturers and retailers. The authors theorize and find that analytical thinkers are more likely than holistic thinkers to attribute the cause of the negative consumption experience to the manufacturer, resulting in lower repurchase intention of the manufacturer brand. In contrast, holistic thinkers are more likely than analytical thinkers to attribute the cause of the negative consumption experience to the retailer, resulting in lower repurchase intention at the retailer. These findings are important to marketing managers at both ends of the marketing supply chain — manufacturers and retailers — who deal with consumers with diverse cultural backgrounds.

Key words: blame, attribution, culture, purchase intention, consumption.

If anything can possibly go wrong, it will.

Murphy's Law

Suppose that you buy a digital camera at a major electronics store and, as Murphy's law predicts, experience a series of unfortunate incidents. After consulting with your friends and sales representatives at the store, you select and purchase a model, only to have the product break down after a short period. The malfunction prevents you from taking any pictures at all and, even worse, you cannot return the product to the store, as its warranty has already expired. Moreover, you learn that the cost of repair is unreasonably high. Which party in the supply chain — the manufacturer or the retailer — is more responsible, and thus to blame, for this frustrating situation? Did it happen because the manufacturer *made* the bad product, or because the retailer *sold* you the bad product? To avoid a similar mishap in the future, should you avoid a product of the same brand or should you avoid a store of the same brand? The responses to these questions may vary, we argue, depending on the reasoning style you employ: analytical versus holistic reasoning (Mattila and Patterson 2004; Nisbett et al. 2001; Zhu and Meyers-Levy 2009).

Unfortunately, the above scenario is not unfamiliar to many consumers — products and services often do not live up to their expectations, and the consequences can be quite costly, causing irreparable damage to the various parties in the marketing supply chain. As research has revealed, negative consumption experiences can lead to complaining behaviors, customer loss, and bad word of mouth (Grewal, Rggeveen, and Tsiros 2008; Herr, Kardes, and Kim 1991; Hess, Ganesan, and Klein 2007; Maxham and Netemeyer 2002; Richins 1983; Lutz 1975; Mizerski 1982). Accordingly, it is of practical value to managers in a position to address the issue

effectively to know conditions under which consumers blame the *maker* or *seller* of the product — the central theme of this paper.

It should come as no surprise that understanding when and toward whom consumers express their frustration and anger has been a topic of interest in the marketing literature (e.g., Brown and Dant 2009; Folkes 1984; Folkes and Kotsos 1986; Hess, Ganesan, and Klein 2007; Menon and Dube 2004). Few, however, have explored what determines the who-is-to-blame question, with most studies focusing on whether the blame is attributed to the self or others (i.e., internal vs. external attribution; e.g., DeCarlo and Leigh 1996; Grewal, Rggeveen, and Tsiros 2008; Valenzuela, Srivastava, and Lee 2005). In the services marketing literature, for example, Harris et al. (2006) reported that online consumers tend to blame themselves more for service failures than offline consumers. Of more relevance to our inquiry, Laufer and Gillespie (2004) investigated blame attribution toward the manufacturer and found that women tend to blame the company (e.g., orange juice manufacturer) more than men. However, no prior study, to our knowledge, has directly compared blame attributions toward arguably the two most salient parties in the marketing supply chain: the manufacturer and the retailer. This research aims to fill this gap.

With these issues in mind, we attempt to answer an important practical and theoretical question not addressed in the literature: how consumers with different reasoning styles (analytical versus holistic thinkers) 1) differentially make causal judgments for undesirable consumption outcomes, and 2) differentially adjust their subsequent purchasing behaviors after those negative experiences. In order to triangulate the validity of our key concept — analytic and holistic cognitions, a construct that can be chronically accessed or contextually activated through one's cultural orientation and self-view — in the current research we use multiple

operationalizations. Specifically, differences in participants' cultural orientation (chronic self-views) are precisely measured at the individual level (Study 1), temporarily induced by priming (Study 2), and collectively observed at the national level (Study 3). By presenting convergent evidence across three studies, we eliminate potential confounding explanations, thereby providing a clearer picture of the role of reasoning style in causal attributions and repurchase intention.

We begin by looking at different types of causal attributions in negative consumption situations: manufacturer-focused or retailer-focused attributions. Then we discuss how these causal attributions are likely to be triggered by the different modes of reasoning style: analytic and holistic thinking.

CONCEPTUAL BACKGROUND

Causal Attributions in Negative Consumption Situations

When consumption experiences do not live up to expectations, consumers spontaneously infer or attribute blame. That is, attributional search is more likely following failure than success (Folkes 1988; Hess, Ganesan, and Klein 2007; Weiner 2000) — people do not ask why their cars run over 200,000 miles or why the apples they purchase are extra fresh, but rather why their cars break down at 50,000 miles or there are spots on the apples.¹ It is essential to understand how consumers explain such negative experiences, because they can be damaging to the maker and seller of the product as they often result in consumer avoidance (Puccinelli et al. 2009; Weiner

¹ Prospect theory may offer insight into this negativity bias in attribution formation, as people are more attuned to losses than to gains (Kahneman & Tversky 1979, Tversky & Kahneman 1992).

2000). Moreover, dissatisfied consumers might not merely avoid the same manufacturer or retailer in the future, but take action against them (e.g., negative word-of-mouth). Given that negative events are more likely than positive events to generate attributions on the part of the consumer, Smith et al. (1999) called for studies examining the causal locus of blame attributions. To address this question, we introduce a useful distinction between two types of causal attributions of particular concern to marketing managers: manufacturer-focused and retailer-focused attributions.

This distinction is not only theoretically important, but also practically relevant in that these two types of attributions become the basis of consumers' future buying decisions – what *not* to shop for and where *not* to shop. Considerable research has been devoted to internal versus external attributions (Calder and Burnkrant 1977; DeCarlo & Leigh 1996; Machleit & Mantel 2001), but rather less attention has been paid to the distinct types of external attributions we propose in the present paper.

In many consumer occasions, though, pinpointing the responsible party is, because of the ambiguity of the situation, subjective; that is, a consumer cannot easily tell whether a product falls short of expectations due to inappropriate usage (i.e., the user is responsible), an innate defect (i.e., the manufacturer is responsible), negligent service (i.e., the retailer is responsible), a mixture of these (i.e., all parties are responsible to some extent), or just bad luck (i.e., nobody is responsible). However, the ambiguity does not mean that consumers will not make causal attributions; they will base their attributions on contextual cues that are chronically or momentarily salient.

To illustrate, the consumer in the introductory scenario might be inclined to blame and thus avoid the manufacturer if she is brand-loyal to the competitor brand, but to blame and avoid the retailer if she is aware that the store rewards salespeople on commission basis for selling that particular brand (thus they are more likely to recommend the purchased brand). In this sense, understanding what factors determine the direction of such (mis)attributions is vital to marketers who need to address the problem effectively. The present research identifies one such factor that systematically shapes the direction of attributions — namely, the consumer reasoning style.

Culture, Self-Construal, and Reasoning Style

Research on culture and self-construal suggests that multiple self-views — independent and interdependent — coexist within every nation and every individual (Lee, Aaker, & Gardner 2000; Zhu and Meyers-Levy 2009). Put differently, one's chronically accessible self-construal is mirrored in both one's national culture and one's individual cultural orientation. Thus, previous studies have collectively observed culture and self-views at the national level (e.g., Gardner, Gabriel, and Lee 1999; Lalwani and Shavitt 2009) or measured them independently at the individual level (e.g., Lalwani and Shavitt 2009; Lee, Aaker, and Gardner 2000). At the national level, studies document that people living in Western cultures (e.g., the United States) tend to consider themselves as unique and autonomous entities, whereas people living in Eastern cultures (e.g., Korea) tend to consider themselves as fundamentally connected to a larger social network (e.g., Chung, Sternquist, and Chen 2006; Mattila and Patterson 2004; Markus and Kitayama 1991; Triandis 1995). The same concept applies to individual differences. Even within the same national boundary, individuals' tendency toward different cultural orientations and self-views vary. In other words, it is not that individualism or independent self-view do not exist in Korea, nor that collectivism or interdependent self-view do not exist in the United States, but

both exist to different extents in each nation. We examine individual differences in Study 1 and cross-cultural differences in Study 3.

Taking this notion of chronic self-view one step further, some researcher demonstrated that such different self-views can be temporarily activated by a priming procedure (e.g., Gardner, Gabriel, and Lee 1999; Hong, Morris, Chiu, and Benet-Martinez 2000; Lalwani and Shavitt 2009; Zhu and Meyers-Levy 2009). Gardner, Gabriel, and Lee (1999), for example, randomly assigned participants to read an independent or an interdependent version of the stimulus paragraph, circling the independent pronouns (e.g., I, mine) or interdependent pronouns (e.g., we, ours) they encountered. Those who were primed with an independent self-view displayed shifts toward more individualistic social judgments, whereas those who were primed with an interdependent self-view displayed shifts toward more collectivistic social judgments. We adopt Gardner et al.'s (1999) priming technique in Study 2.

How are the concept of culture and self-construal relevant to our current research? Culture and self-construal are deeply linked with people's reasoning style, and many researchers operationalized the latter by measuring or inducing the former (e.g., Choi and Nisbett 2000; Ji, Nisbett, and Su 2001; Ji, Peng, and Nisbett 2000; Mattila and Patterson 2004; Monga and John 2007; Nisbett et al. 2001; van Baaren et al. 2003; Zhu and Meyers-Levy 2009). People from Western cultures and people with an independent self-view, whether chronic or temporary, tend to be analytic in their reasoning; that is, they believe the world is discrete and discontinuous and an object's behavior can be predicted using rules and properties (Monga and John 2007, 2008; Nisbett et al. 2001). Processing information, analytic thinkers tend to detach the object from its context, focus on its attributes to assign it to a category, and use category rules to explain and predict the objects' behavior (Nisbett et al. 2001). On the other hand, people from Eastern

cultures and people with an interdependent self-view tend to be holistic in their reasoning, focusing on relationships between objects. Holistic thinkers tend to be oriented to the context or field as a whole, pay attention to relationships between a focal object and the field, and explain events based on such relationships (Nisbett et al. 2001).

We question whether these reasoning styles could influence people's causal attribution and repurchase intention after they experience a negative consumer episode. If it makes sense to analytical thinkers to view an object as having attributes that are independent of circumstances, Westerners with an independent self-view are likely to pay attention to the focal product — usually the main object in a product consumption episode — when making causal attributions. Diagnostic of analytic reasoning, in this sense, is a product attribute-based categorization process, which will lead to an attributional belief that the product has an intrinsic problem, and thus other products of the same brand may have the same problems.² This form of explanation in itself is analytic, because it uses the disposition of the product (e.g., low quality) as an overall explanation mechanism that can be generalized to other products with that particular brand (i.e., categorization). From a functionalist standpoint, this kind of product-focused attribution will allow analytical thinkers to predict the world with relative ease and certainty; to avoid recurrence of this negative event, the consumer must stick to one simple rule: not buying a product of the same brand again. In contrast, holistic thinkers, because of their heightened perception that the surrounding context influences focal events, are likely to be conscious of contextual factors such as the service function of the store — its role in lubricating the smooth transaction between end consumers and other parties in the supply chain. That is, in the eyes of holistic thinkers, a retailer

² Arguably, this may be considered as a variation of fundamental attribution error or correspond bias, although in this case the target of the dispositional (vs. situational) attribution is nonhuman (i.e., the product).

may be more than a middleman who simply resells the product it bought from the manufacturer, but rather a proactive player in achieving collective ends (e.g., consumer satisfaction). In a great web of relationships, a retailer may be expected to play a role of liaison, responsible for helping customers make informed decisions at the pre-purchase stage, and further ensuring customer satisfaction even at the post-purchase stage. By fulfilling its obligations to consumers, a conscientious retailer thus contributes to maintaining communal harmony.

Indeed, there is evidence that Westerners make relatively narrower, object-centered attributions whereas Easterners tend to make broad, relationship-centered attributions (Chiu, Morris, Hong, and Menon 2000; Menon, Morris, Chiu, and Hong 1999; Maddux and Yuki 2006). In line with this notion, analytical thinkers — Westerners and people with an independent self-view — are inclined to explain events in terms of an actor's personal characteristics (i.e., fundamental attribution error, see Ross 1977; correspondence bias, see Gilbert and Malone 1995), whereas holistic thinkers — Easterners and people with an interdependent self-view — are inclined to explain events in terms of situational factors (Lee, Hallahan, and Herzog 1996; Morris and Peng 1994). For example, in describing object's physical movements (e.g., a ball floating on the water), Peng and Knowles (2003) observed that participants with the analytic reasoning style tend to attribute the object's movements more to dispositional factors (e.g., shape, weight) than their holistic counterparts, while participants with the holistic reasoning style more often endorsed contextual explanations (e.g., gravity, friction). Such differences between two distinct reasoning styles are reflected as well in the size (number) of causal agents responsible for a focal event: Evidence suggests that analytic thinkers are likely to indicate that single individuals cause events, whereas holistic thinkers are likely to hold many people accountable for a given event (Chiu, Morris, Hong, and Menon 2000; Menon, Morris, Chiu, and Hong 1999;

Maddux and Yuki 2006). For example, Choi, Dalal, Kim-Prieto, and Park (2003) reported that when presented with a list of 100 possible contributing factors for an event, Koreans indicated a larger number of potential causes could plausibly have contributed to the event than Americans. Overall, these findings support our idea that analytic thinkers, during product consumption, are relatively more likely than holistic thinkers to focus on the maker of the product (a main actor), whereas holistic thinkers are more likely than analytical thinkers to perceive a more situational connection to the seller of the product (a supporting actor).

Taking these factors together, we hypothesize that after experiencing a negative consumption episode, analytical thinkers (vs. holistic thinkers) are more likely to make product-based, manufacturer-focused attributions than are holistic thinkers; holistic consumers (vs. analytic thinkers) are more likely to make relationship-based, retailer-focused attributions than are analytic consumers.

H1a: Analytic thinkers are more likely than are holistic thinkers to ascribe a negative consumption experience to the manufacturer.

H1b: Holistic thinkers are more likely than are analytic thinkers to ascribe a negative consumption experience to the retailer.

In addition, we expect the same pattern to emerge on a related variable: repurchase intention for the same manufacturer product versus at the same retailing store.

H2a: Following a negative consumption episode, analytic thinkers are less likely than are holistic thinkers to repurchase from a manufacturer of the same brand.

H2b: Following a negative consumption episode, holistic thinkers are less likely than are analytic thinkers to repurchase at a retailer of the same brand.

To explore this possibility, we informally observed and interviewed, at a major electronics store chain in a northwestern city, five customers (families) who were returning or replacing the defective computers they recently purchased. In line with our speculation, three American customers blamed the manufacturer and all switched to another brand, one of whom had contacted the manufacturer before they came to the store for the exchange. In contrast, one customer from the Dominican Republic blamed, though indirectly, the retailer and asked for a complete return, rather than an exchange. Somewhat similarly, a couple from Portugal was looking to buy a new computer after a bad experience with a laptop purchased at another retailer in town. They were visibly upset at the retailer, not the manufacturer, for their defective computer, which led them to shop at the competing retailer where the observation took place.

Although insightful, these observations do not provide definite answers to our questions. In the three studies that follow, we test these hypotheses in more controlled settings. Study 1 tests H1 with an individually measured cultural orientation/chronic self-view, Study 2 tests H2 with a contextually activated self-view, and Study 3 tests H1 and H2 with two different populations. Study 3 also extends our conceptualization examining an additional set of variables (i.e., blame assignment and attitude toward the manufacturer and retailer).

STUDY 1

The objective of Study 1 was to compare how analytical thinkers and holistic thinkers make causal attributions of a negative consumption experience. We test H1a and H1b based on individual differences in cultural orientation (chronic self-construal).

Method

Participants and Design. Participants were 249 undergraduates at a large midwestern U.S. university. The study employed a 2 x 2 mixed design, with individual cultural orientation (chronic self-construal) serving as a between-subjects factor, and causal attribution of a negative consumption outcome to the manufacturer versus the retailer as a within-subjects factor.

Stimuli and Procedure. Participants read a vignette describing a negative consumption episode similar to the introductory scenario (Appendix A). In brief, participants were asked to imagine buying a digital camera at a major electronics store in town, and as the story unfolds they learn that they had overpaid for the camera, which turns out to be low-quality and malfunctioning yet nonreturnable. The scenario was constructed in such a way that the whole series of events can be attributed to multiple sources (e.g., manufacturer and retailer).

Measures. To measure the direction of causal attributions, participants indicated on an 8-point scale from 0 (a very small extent) to 7 (a very great extent) to what extent the manufacturer and retailer caused the event (“To what extent did the manufacturer/retailer cause the event?”). In addition, a 10-item INDICOL/Concern for Ingroup Harmony scale (an example item: “People should not be expected to do anything for the community unless they are paid for it”; Triandis, Bontempo, & Villareal 1988; Triandis, Bontempo, Leung, & Hui 1990), from “strongly agree” (7) to “strongly disagree” (1), was administered to measure participants’ cultural orientation (chronic self-construal), where higher scores indicate orientation toward individualism

(independent self-view) and lower scores indicate orientation toward collectivism (interdependent self-view; $\alpha = 0.84$).

Results

As shown in Figure 1, a 2 x 2 ANOVA with the attributions to the manufacturer and the retailer entered as repeated measures and individual cultural orientation (chronic self-construal) entered as a between-subjects variable, revealed a significant interaction ($F(1, 247) = 30.58, p < .01$). The latter variable was bifurcated into two groups of participants – those who scored high and low on the scale via a median split. Contrasts indicated that individualistic participants ($M = 3.92$) are more likely than collectivistic participants ($M = 3.37$) to believe that the manufacturer caused the negative product experience ($t(247) = 2.17, p < .05$), but individualistic participants ($M = 3.95$) are less likely than collectivistic participants ($M = 4.39$) to believe that the retailer caused the event ($t(247) = 2.14, p < .05$).³ Furthermore, consistent with our predictions, results from a correlational analysis revealed that cultural orientation toward individualism (vs. collectivism) was positively correlated with the manufacturer-focused attribution ($r = 0.14, p < 0.05$), but negatively correlated with the retailer-focused attribution ($r = -0.14, p < 0.05$).

*****Figure 1 about here*****

Discussion

Study 1 examined how people's use of analytic versus holistic reasoning styles, mirrored in their cultural orientation (chronic self-view), shaped the direction of causal attributions, after they experienced a series of negative product consumption incidents. Analytic thinkers (i.e.,

³ Data were also analyzed using a regression approach that included participants' actual cultural orientation score as a continuous variable. This analysis yielded a significant interaction comparable to those reported in the text. We present the median-split analysis because it allows for a comparison of means across Study 1 and Study 3.

individualistic participants with a low level of concern for in-group harmony) were more likely than holistic thinkers (i.e., collectivist participants with a high level of concern for in-group harmony) to believe that the manufacturer caused the undesirable event. Conversely, holistic thinkers were more likely than analytic thinkers to believe that the retailer caused the event.

The findings have straightforward implications for marketers — when redressing product/service failure issues, managers can improve on how to handle the situation if they have consumer psychographic data available, namely, individual cultural orientation. Nevertheless, this study did not examine how these reasoning styles could influence the variable that is of more direct relevance to marketing managers — repurchase intention (H2a and H2b). Will consumers avoid the same manufacturer or retailer following an unpleasant experience? In addition, our theorizing would be bolstered further if the same pattern of data can be obtained under operationally different, but conceptually identical, conditions of reasoning style. Study 2 addresses both points.

STUDY 2

To strengthen the validity of our theoretical framework, Study 2 examined a different but related variable — consumer repurchase intention. Specifically, following a negative consumption experience, we anticipated that analytic thinkers are more likely than are holistic thinkers to avoid the same manufacturer (H2a), whereas holistic thinkers are more likely than are analytic thinkers to avoid the same retailer (H2b). In addition, we differentially operationalized the independent variable by temporarily inducing (priming) an independent and an interdependent self-view.

Method

Thirty-eight students were recruited from a large university in the United States. The study employed a 2 x 2 mixed design, with self-construal priming (independent vs. interdependent self-construal) serving as a between-subjects factor, and the intention to repurchase the same manufacturer product versus the intention to shop at the same retailer as a within-subjects factor.

To begin, participants completed an ostensibly warm-up, but actually priming task that was intended to prompt analytic or holistic reasoning. In the current study, we adopted the word task used by Gardner, Gabriel, and Lee (1999). Participants were instructed to read the paragraph carefully and circle all the pronouns found within the paragraph. To induce analytic reasoning, participants in the independent-self condition read the following paragraph, circling the independent pronouns (e.g., I, my, myself):

I go to the city often. My anticipation fills me as I see the skyscrapers come into view. I allow myself to explore every corner, never letting an attraction escape me. My voice fills the air and street. I see all the sights, I window shop, and everywhere I go I see my reflection looking back at me in the glass of a hundred windows. At nightfall I linger, my time in the city almost over. When finally I must leave, I do so knowing that I will soon return. The city belongs to me.

On the other hand, to induce holistic processing, participants in the interdependent-self condition read the same paragraph except that all the singular pronouns (e.g., I, my, myself) are replaced with the plural pronouns (e.g., we, our, ourselves):

We go to the city often. Our anticipation fills us as we see the skyscrapers come into view. We allow ourselves to explore every corner, never letting an attraction escape us. Our voices fill the air and street. We see all the sights, we window shop, and everywhere we go we see our reflections looking back at us in the glass of a hundred windows. At nightfall we linger, our time in the city almost over. When finally we must leave, we do so knowing that we will soon return. The city belongs to us.

After completing the word search task, participants completed measures of brand- and store-repurchase intentions. Two items were used to measure each variable. Specifically, participants responded to the following sets of questions on a 9-point scale from -4 (not at all interested / extremely unlikely) to 4 (extremely interested / extremely likely): “How interested would you be in purchasing the same brand (shopping at the same store) next time?” and “What’s the likelihood of your purchasing the same brand (shopping at the same store) next time?” The two items for each variable, respectively, were averaged to form composite measures with higher scores indicating higher levels of purchase intention.

Results

A 2 x 2 ANOVA with the purchase intention for the manufacturer brand and the purchase intention at the retailer brand entered as repeated measures and self-construal priming entered as a between-subjects variable revealed a significant interaction ($F(1, 36) = 6.81, p < .05$). As shown in Figure 2, contrasts indicated that participants primed with independent self-construal (i.e., analytical thinkers) reported that they have lower likelihood of and lower interest in purchasing the same manufacturer brand next time ($M = -3.61$) than participants primed with interdependent self-construal (i.e., holistic thinkers; $M = -2.61$), but higher likelihood of and higher interest in shopping at the same retailer brand next time ($M = -0.18$) than participants primed with interdependent self-construal ($M = -1.55$). Both differences were marginally significant ($t(36) = -1.88, p = 0.07$ and $t(36) = 1.77, p = 0.09$, respectively).

*****Figure 2 about here*****

Discussion

Study 2 conceptually replicated the findings from Study 1 in a substantially different setting. Specifically, contextually activated self-construal influenced repurchase intention of the manufacturer brand and repurchase intention at the retailer. Although marginally significant, participants primed with an independent self-view were less likely than participants primed with an interdependent self-view to buy the same manufacturer brand in the future. In contrast, participants primed with an interdependent self-view were less likely than participants primed with an independent self-view to shop at the same retailer. These findings support our idea that analytical thinkers (vs. holistic thinkers) are more likely to avoid the manufacturer, whereas holistic thinkers (vs. analytic thinkers) are more likely to avoid the retailer, after an adverse consumption experience.

Extending Study 1, the results from Study 2 offer a straightforward insight to marketers who communicate with consumers with diverse self-views. When dealing with dissatisfied customers with an independent self-view, the problem might be tackled more effectively by the manufacturer (e.g., an extended warranty), while or customers with an interdependent self-view might be more receptive to a personalized approach from the retailer (e.g., a follow-up phone call). Nonetheless, Study 2 did not provide a complete picture of whether our conceptualization is applicable to the global marketplace, where managers at various ends of the supply chain interact with international customers on a daily basis. Study 3 was designed to address this point.

STUDY 3

The objectives of Study 3 were twofold. First, we tested H1 and H2 with two culturally distinct populations: Americans and Koreans. Second, we generalized the conceptualization to

key variables that are important to marketing managers: blame assignment to and attitude toward the manufacturer versus retailer.

Method

Participants, design, procedure, and measures. Participants were 177 undergraduates at a large midwestern U.S. university, and 114 undergraduates at a large Korean university. The study used a 2 x 2 mixed design, with nation as a between-subjects factor, and causal attribution, blame assignment, repurchase intention, and attitude, as within-subjects factors. The procedure was the same as in Study 1.

Measures. Attribution and purchase intention measures were identical to those used in Studies 1 and 2. In addition, we included measures of blame assignment and attitude. For blame assignment, participants were asked to distribute 100 points among the five possible parties to blame: manufacturer, retailer, consumer, salespeople, and nobody (i.e., situation). Attitudes toward the manufacturer brand (Brand B) and the retailer brand (Brand A) were measured using a 5-item semantic differentials (unfavorable-favorable; bad-good; harmful-beneficial; unattractive-attractive; poor-excellent) on a 9-point scale (from -4 to 4; α 's = 0.93 and 0.94 for the manufacturer and the retailer brands, respectively).

Results

Figure 3 shows a 2 x 2 mixed ANOVA, with the causal attribution toward the manufacturer and the retailer entered as repeated measures versus nation entered as a between-subjects variable, which revealed a significant interaction ($F(1, 289) = 20.53, p < 0.01$). Contrasts indicated that American participants ($M = 4.11$) are more likely than are Korean participants ($M = 3.46$) to believe that the manufacturer caused the negative product experience

($t(289) = 2.73, p < 0.01$), but American participants ($M = 4.53$) are less likely than are Korean participants ($M = 4.99$) to believe that the retailer caused the event ($t(289) = -2.46, p < 0.05$). Similarly, as shown in Figure 4, a 2 x 2 ANOVA with the blame assignment to the manufacturer brand and the retailer brand entered as repeated measures and nation entered as a between-subjects variable revealed a significant interaction ($F(1, 281) = 24.05, p < 0.01$). Contrasts indicated that American participants ($M = 14.43$) are more likely than Korean participants ($M = 8.55$) to blame the manufacturer for the negative product experience [$t(282) = 2.24, p < .05$], but American participants ($M = 10.71$) are less likely than Korean participants ($M = 13.10$) to believe that the retailer caused the event ($t(284) = -4.88, p < .01$).

Turning to the attitude and purchase intention variables (Figure 5), a 2 x 2 ANOVA with the attitude toward the manufacturer brand and the retailer brand entered as repeated measures and nation entered as a between-subjects variable reveals a significant interaction ($F(1, 290) = 24.33, p < 0.01$). Contrasts indicate that American participants ($M = -2.87$) and Korean participants ($M = -3.03$) had equally negative attitude toward the manufacturer brand ($t(290) = .94, p = n.s.$), but American participants ($M = -1.50$) had significantly less negative attitude (relatively more positive) toward the retailer brand ($t(290) = 6.70, p < 0.01$) than did Korean participants ($M = -2.61$). Similarly, as shown in Figure 6, a 2 x 2 ANOVA with the purchase intention for the manufacturer brand and at the retailer brand entered as repeated measures and nation entered as a between-subjects variable reveals a significant interaction ($F(1, 290) = 35.21, p < 0.01$). Contrasts indicate that American participants ($M = -3.10$) and Korean participants ($M = -3.15$) were equally unlikely to purchase the manufacturer brand ($t(290) = .27, p = n.s.$), but American participants ($M = -1.23$) were significantly less unlikely (relatively more likely) to shop at the retailer brand ($t(290) = 7.50, p < 0.01$) than were Korean participants ($M = -2.86$).

*****Figures 3-6 about here*****

Discussion

Study 3 expanded on the findings from Studies 1 and 2 in two important ways. First, we tested our conceptualization using data collected from two populations: the United States and Korea. Second, we extended the applicability of our framework to include other key variables: blame assignments to, and attitude toward, the manufacturer versus retailer brands. The results supported the effects on causal attribution and blame assignment. American participants were more likely than Korean participants to ascribe the negative event to, and assign more blame to, the manufacturer, whereas Korean participants were more likely than American participants to ascribe the event to, and assign more blame to, the retailer. On the other hand, the results partially supported the effects on attitude and purchase intention. As predicted, Korean (vs. American) participants exhibited more negative attitude toward, and were less likely to revisit, the same retailer, but such cross-cultural difference did not emerge on the attitude toward and purchase intention for the manufacturer: Participants from both nations showed equally negative attitude toward, and were equally likely to avoid, the manufacturer brand. We suspect that this might possibly be due to a floor effect, where Americans and Koreans alike became extremely skeptical (i.e., hitting the floor) about the manufacturer brand. In a related vein, strong main effects for culture on both variables (both p 's < 0.01) are consistent with previous findings that Easterners are more likely than Westerners to be prevention- (vs. promotion-) focused (Lee, Aaker, & Gardner 2000 JPSP): Koreans appeared to be extra cautious in repurchasing a product of or revisiting a store of the same brand, after an unpleasant experience.

The findings from Study 3 shed light on which party in the supply chain should deal with unpleasant customers in a global context. Our findings suggest that international customers from

Eastern nations might expect higher-level services from a retailer than customers from Western nations. Therefore, a more person-to-person, relationship-based marketing approach (e.g., “we care for you”) might prevent disappointed holistic consumers from leaving for another store (Winstead 1997).

GENERAL DISCUSSION

This research investigates consumer reactions to negative consumption experiences. We examined various constructs – causal attributions (Studies 1 and 3), repurchase intention (Studies 2 and 3), blame assignments (Study 2) and attitude (Study 3) – and found that the directions of these judgments are influenced by consumers’ particular reasoning style. Specifically, when the manufacturer was the target of judgment, a higher degree of blame (a more negative judgment) was more likely among participants with the analytical reasoning style than among participants with the holistic reasoning style. Conversely, when the retailer was the target of judgment, a higher degree of blame (a more negative judgment) was more likely among participants with the holistic reasoning style than among participants with the analytic reasoning style. We measured, prompted, and observed these two styles of reasoning, correspondingly, through individual cultural orientation (individualism vs. collectivism) in Study 1, self-construal (independent vs. interdependent self-view) in Study 2, and nationality (U.S. vs. Korean) in Study 3.

This work makes an important theoretical contribution. Broadly, it adds to the attribution literature by clarifying how the direction of attributional blame depends on people’s reasoning styles. Specifically for marketing and consumer researchers, the present research offers an alternative approach to that of traditional internal versus external causal attribution. The

distinction we make in this paper (i.e., manufacturer-focused vs. retailer-focused attribution) is a framework that is arguably more appropriate for those who study consumer behavior in the context of supply chain management. It also adds to extant work on cross-cultural research by identifying a unique, nonhuman context in which cross-cultural differences in an actor-observer bias can be manifest. It may be that the product in a consumption episode and an actor in a social situation are processed in a roughly equivalent manner, and thus similar direction of correspondence bias (or fundamental attribution error).

Managerial implications of our research are clear. Occasionally, a situation arises where manufacturers and retailers both engage in addressing negative events. For example, Icon Health & Fitness, Wal-Mart, and Sam's Club — the manufacturer and the retailer of exercise equipment — recently experienced consumer complaints and litigations for a product defect (e.g., *U.S. v. Wal-Mart, Sam's, and Icon Health & Fitness*, 2001). In crisis management situations like this, a timely, effective resource allocation among various communication channels is vital for both ends of the supply chain. Although preventing such an undesirable outcome would be ideal, once it happens, marketers should be able to use our findings to their advantage to minimize further damages (e.g., negative word-of-mouth). Our findings suggest that a relatively higher level of attention allocated to the retailer's (manufacturer's) end may increase the overall effectiveness of the crisis communication, if a majority of the target audience is composed of holistic (analytic) consumers. Furthermore, if holistic consumers value service as an essential part of retailing, as we argue, marketing strategies proven to be effective for an analytic population might not work as well as for a holistic population (de Mooij and Hofstede 2002). Wal-Mart's failure in Korea illustrates this point. Wal-Mart's highly successful, EDLP ("Everyday Low Price") strategy in the United States turned out to be a poor fit for the Korean market, because unlike American

consumers, Korean consumers are unwilling to compromise the customer service for the low price, and expect to see salespeople in each aisle of the retail stores.

For policy makers, the present research adds insights into the understanding of how the general public perceives public policy issues, and to whom it attributes responsibility for undesirable states. For example, while many people agree that the current U.S. health care system is severely flawed, opinions vary on who is to blame for this crisis. Due to the high complexity and the frustrating nature of the problem, the public is unsure of which party in the health care supply chain is most responsible — the government, health care providers, private insurance firms. While it remains to be tested, analytic consumers may put relatively more blame on the parties at the furthest end of the supply chain – that is, the starting point of the perceived causal chain (e.g., the federal government) — whereas holistic consumers may hold accountable the close parties in the chain (e.g., health care provider), with whom they have face-to-face interactions. Moreover, since Americans in southern states tend to be collectivistic and those in the mountain west and great plains regions tend to be individualistic (Vandello and Cohen 1999), policy makers may find it useful to take into account such cross-regional differences.

Many questions remain unanswered. It may be that holistic thinkers are more responsive to personal apologies from the seller (e.g., “we sincerely apologize for what happened”) and analytic thinkers pay more attention to logical explanations from the manufacturer (e.g., “here is why/how it happened”). It is also plausible that certain products associated with private consumption (e.g., deodorant) may contextually trigger analytic reasoning, while products associated with group consumption (e.g., minivan) may trigger holistic reasoning, which in turn would affect causal attributions and purchase intention. Future research might clarify these points.

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FIGURES

Figure 1

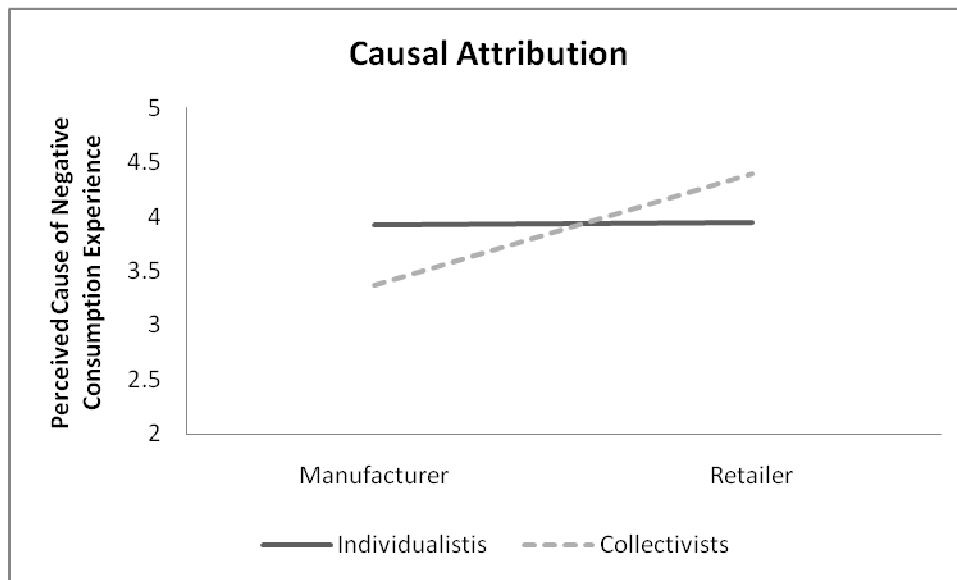


Figure 2

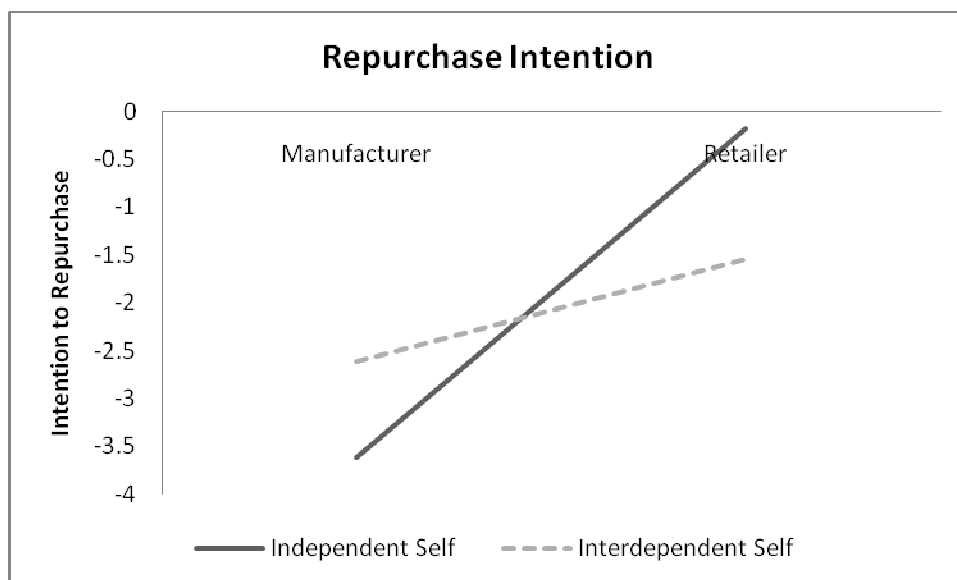


Figure 3

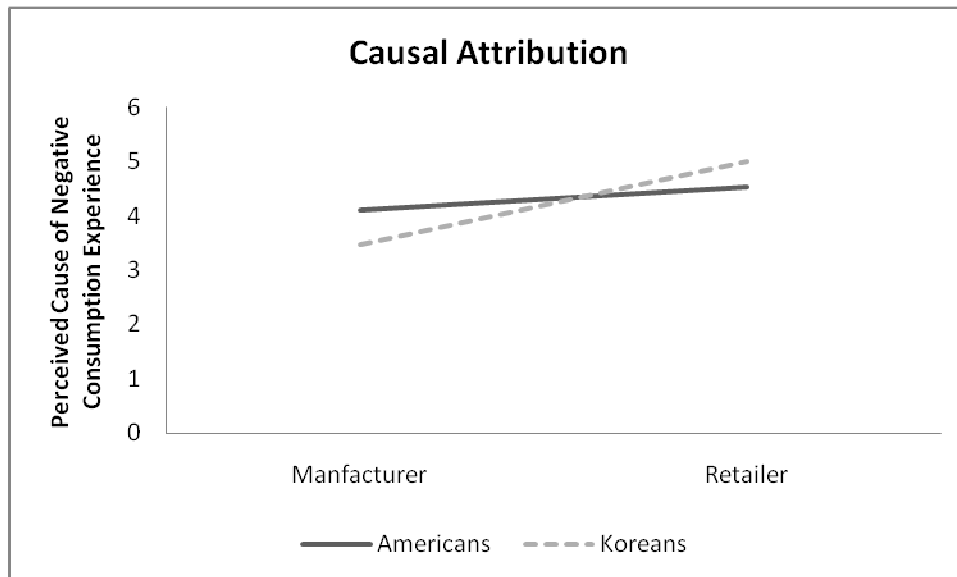


Figure 4

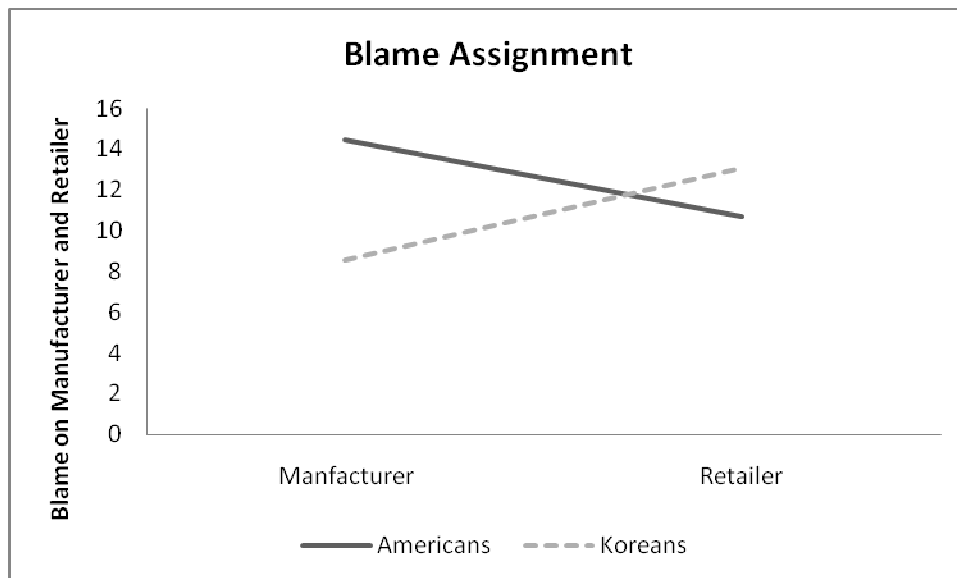
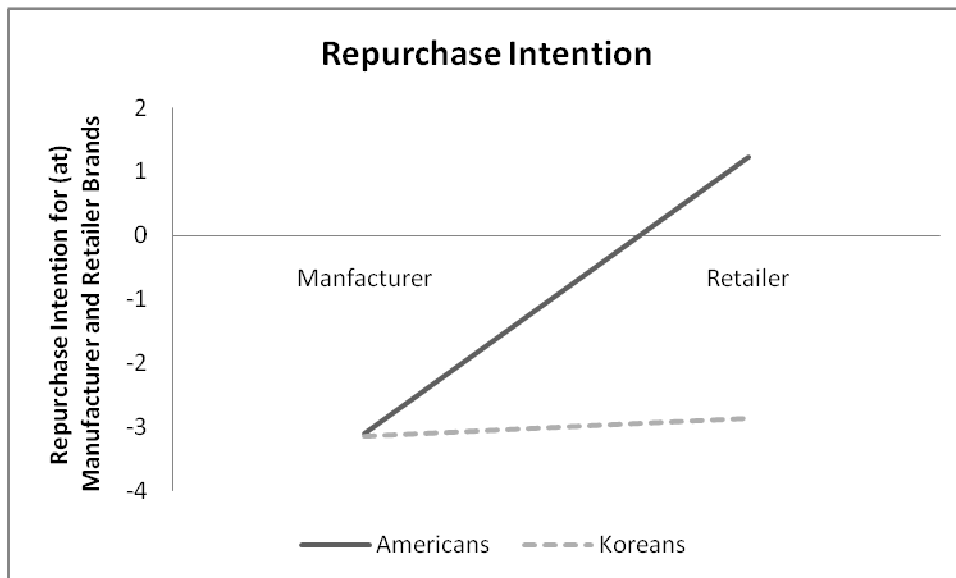


Figure 5



Figure 6



APPENDIX

Imagine yourself in the following shopping scenario

A few months ago you went into town to buy a digital camera. Digital cameras are generally quite expensive, and because you do not have much money, you have given careful thought to this purchase. You consulted some friends and visited a few shops, and decided to buy a camera at your favorite electronics store in town (Brand A store). You are satisfied with past purchases at the store. In particular, the salespeople working there seem very nice.

You walk into the store and notice the following sign:

“DIGITAL CAMERAS ARE ON SALE”

- 20% off for selected items
- All sales are final

You first check which models are on sale and one salesperson comes by and tells you that Brand B camera is a very good purchase. It comes in a beautiful design, and now it is an especially good value. After 20% off, you can get it for \$319.99, although it would normally cost \$399.99. You would save a lot of money if you buy this particular model, as recommended by the salesperson.

You are unsure about the product so you discuss this with another salesperson. She also advises you to buy the same brand. This is what you eventually do. You do partly for the reasons given by the salespeople, but also because you can take it home immediately, whereas another camera you consider is the display model only. If you were to buy another camera, you would have to wait until the weekend, when a new shipment is due to arrive.

You come home excited, and take some pictures right away. Soon you discover that the picture quality is not as good as you expected, but recalling that all sales were final, you realize that you cannot get your money back because it was an item on sale. This is not the only drawback: When you check the price on the Internet another brand you considered buying is priced at \$319.99, the same price you paid for the one you bought.

What’s worse, the camera breaks down after three months. The malfunction prevents you from taking any pictures at all. You return to the shop and the salesperson tells you that the warranty on sales items only lasts three months. You can have your camera repaired there, but it will cost you \$150.