

# **A Model of Consumer Cynicism – Antecedents and Consequences**

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## **Abstract**

Many consumers today are justified in the adoption of a newfound cynicism as they often get exploited, swindled and cheated by poorly conceived marketing practices. Consumers' responses can range from caution and complaining, to more active behaviours, even culture jamming or boycotting. These responses predictably affect consumer behaviour. However, the psychological causes and behavioural effects of consumer cynicism are not well understood in the literature. This study addresses this knowledge gap by proposing a dynamic model of consumer cynicism, and an experimental design to capture development of cynical consumer behaviours under conditions of goal and value incongruence over time.

## **Introduction**

Consumer cynicism is a growing phenomenon (Helm 2004) which has negative consequences for both firms and consumers (Austin *et al.* 2005; Forehand and Grier 2003). By looking at the effects of cynicism we aim to contribute to understanding of its impact on marketing activities, by studying the causes of cynicism we make progress towards possible intervention strategies that may help prevent or remedy cynical behaviours. Consumer cynicism is an under researched area. There is no accepted definition of consumer cynicism in the marketing literature. The main definitional approaches can be found in cynicism studies outside of consumer behaviour, including personality (Adams and John 1997; Cook and Medley 1954; Pope *et al.* 1993), organisational behaviour (Andersson 1996; Andersson and Bateman 1997; Dean *et al.* 1998; Wanous *et al.* 2000), societal (Andersson 1996; Andersson and Bateman 1997; Mirvis and Kanter 1991) and political (Dermody and Hanmer-Lloyd 2004; Lee 2003; Miller 1974). In these studies cynicism is often related to distrust, dissatisfaction and disconfirmed expectations. Expanding on these approaches we propose to differentiate consumer cynicism from existing constructs, by defining it as *the attitude of suspicion in the marketplace*, where suspicion incorporates the belief that firms are motivated by self-interest. We then analyse the effects and the causes of consumer cynicism, which we test via a longitudinal experimental design.

## **Consequences of Consumer Cynicism**

Attribution theory predicts that the perceived reason for a product's failure has an influence on a consumer's response (Bettman 1979). Thus when consumers blame dissatisfactory outcomes on the self-interested motives of the firm, they respond with a range of specific and predictable behaviours. In this study we analyse a set of five specific behaviours that may account for the behavioural component of consumer cynicism (Figure 2). These range from cautious behaviour, which can be observed in the risk-handling strategies consumers develop to cope with the hazards of buying, to extreme behaviour aimed at retribution. However, the opportunity costs involved in engaging in more active behaviours can be high (McKelvey 1969), or there may be a preference for familiarity (Hales and Shams 1991) hence our first expectation is that escalation of behavioural responses requires escalation of cynicism.

When a consumer believes self-interested motives to be influencing a firm's behaviour, complaint behaviour may occur. Several important variables have been found to explain why consumers complain, including perceived costs (Richins 1980), attributions (Folkes 1984) and prior knowledge (Day 1984). Significant positive relationships have been found between the attribution of blame on the firm and complaint behaviour, but these are mediated by expectancy value judgments (Singh and Wilkes 1996), including probability of complaint success (Day 1984; Richins 1983) and the significance of the consumption event (Day 1984). Word-of-mouth is defined as informal communication between consumers about products and services (Westbrook 1987). Previous research has overwhelmingly found satisfaction to be a determinant of positive word-of-mouth (Oliver and Swan 1989; Spreng *et al.* 1995). Since self-interest is an important contingency variable on personal communication (Wiener *et al.* 1990), it is likely that suspicion of self-interest will provoke disparaging behaviour.

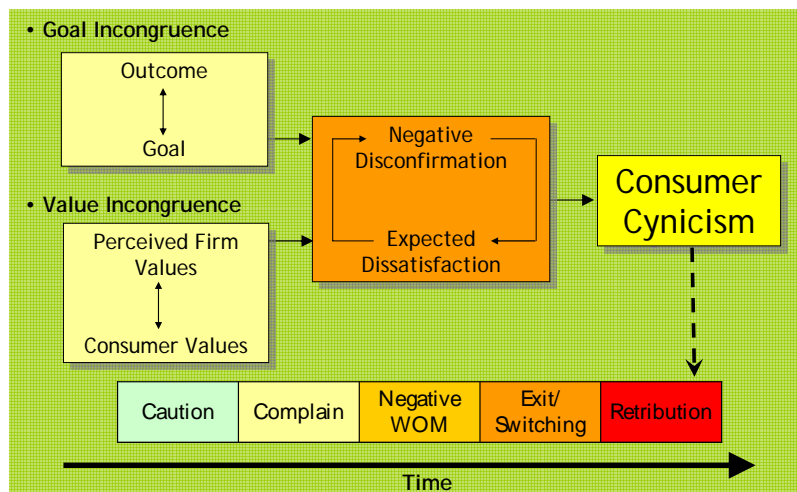
A number of studies show that most dissatisfied customers do not complain (Andreason 1985; Chebat *et al.* 2005; Stephens and Gwinner 1998). In addition, it is likely that a vast majority of those who do not complain would simply leave (Downton 2002). Switching behaviour can also be seen as a form of payback, because they have been let down and are not deserving of their repatronage (Bougie *et al.* 2003). For some, their suspicion is no longer, and has become a belief that the firm only cares for itself, thus the cynical consumer switches in anticipation of dissatisfaction (Kanter and Mirvis 1989). In severe cases consumer rebellion is a form of retribution, which extends beyond traditional complaining. Disruptive and even violent protests are widely publicised (Lacayo 1999), but more benign examples of retribution exist, including registration to the Australian Direct Marketing Association's 'Do-Not-Call' register (Shoebridge 2005). Dobscha (1998) argues this reflects a desire to correct the degradation produced by marketing practices. This behaviour is also a response to disillusion of being tacitly manipulated for the purposes of marketing and market forces (Austin *et al.* 2005).

The responses of caution, complaint, negative word-of-mouth, exit/switching and retribution, represent behaviours documented in the literature and potentially capture the hierarchical effect of increasing cynicism. These effects deserve further examination because of their potentially significant implications for firms and consumers (Austin *et al.* 2005; Forehand and Grier 2003). In the competitive marketplace the relationship between the firm and the consumer is always tentative; as cynicism increases in strength, the probability that the consumer will remain with the firm becomes smaller, with one extreme involving counterattack. Such cynical reactions can be disruptive to the firm's marketing activities reducing or blocking their effectiveness, while lowering consumers' overall welfare.

### **Antecedents of Consumer Cynicism**

Despite the absence of accepted model of consumer cynicism, the extant literature suggests consumer cynicism may best be represented by a dynamic approach (Mills and Keil 2005). Cynicism can be conceptualised as a learned attitude resulting from violated expectations (Andersson and Bateman 1997; Johnson and O'Leary-Kelly 2003). The Bayesian updating approach proposed by Rust *et al.* (1999) suggests that, consumers adjust their predictive expectation distributions based on new information. As the consumer is subjected to more negative disconfirmation, there is greater certainty that future outcomes will be dissatisfactory, leading to a predictive expectation of dissatisfaction

**Figure 1. The Proposed Dynamic Model of Consumer Cynicism.**



Predictive expectations allow consumers to anticipate outcomes based on cues in the environment (Summers and Granbois 1977). Thus, the consumer can make a response based on specific cues provided by the firm in the marketplace. According to the self-regulation hypothesis (Higgins 1997), cues acquire predictive power over time (Shanks 1986) and may be used in formation of

preferences and attitudes. Cues of goal incongruence can indicate the extent to which an event or an outcome is incongruent with an individual's wants and desires (Nyer 1997). Thus, if the resulting disconfirmation continues over time, expected dissatisfaction may develop. This suggests that goal incongruence is a potential driver of cynicism, hence our expectation is that:

*H<sub>1a</sub>: Goal incongruence is positively related to the number and severity of cynical consumer responses.*

Forehand and Grier (2003) suggest that not only goals, but also the values concerned with consumer principles if violated may lead to suspicion of other people's motives. Although there is a degree of overlap between value congruence and the concept of self-congruity (Johar and Sirgy 1991), the focus is on the normative consumer values, including honesty, fairness, and ethical consumer practices. If a difference in ethical standards between the customer and the service provider exists whereby the customer perceives themselves to be utilising higher ethical standards than the service provider, then the customer may react in such a way as to minimise the differences. The customer may switch service providers, complain to the provider or others (Alexander 2002). Thus, when consumer values are violated, they indicate suspicious motives (Campbell 1999; Darke 2004; Darke and Dahl 2003), this suggests that:

*H<sub>1b</sub>: Value incongruence is positively related to the number and severity of cynical consumer responses.*

The conceptual model (Figure 1), which represents the mechanism between goal and value incongruence and cynical behaviours, also suggests further process related hypotheses:

*H<sub>2</sub>: Expected dissatisfaction mediates the relationship between goal incongruence and cynical consumer responses.*

*H<sub>3</sub>: Consistent negative disconfirmation of expectations over time is positively and directly related to expected dissatisfaction.*

*H<sub>4</sub>: Less experienced consumers exhibit less caution, complaint behaviour, negative word-of-mouth, switching/exit and retribution (cynical behaviour) than more experienced consumers.*

In sum, we believe that goal and value incongruence are two possible antecedents to consumer cynicism, using expected dissatisfaction as the key mechanism. This process is dynamic; the attitude requires experience of consistent negative disconfirmation of expectations, leading to an overall predictive expectation of dissatisfaction. In addition, we believe that consumer cynicism is associated with a set of predictable behavioural responses, ranging from passive to more harmful behaviours. Thus, we expect that goal and value incongruence will show an increase in adoption of cynical behaviour. We also expect an interaction effect on cynical behaviours. We expect this relationship will more variance in responses will be explained when expected dissatisfaction is recognised as a mediator. The experimental study examines the hypotheses in two different settings by instructing the subjects to achieve a goal in an environment with established standards of consumer practice, and monitoring their responses under different conditions of goal/value congruence and incongruence.

## Method

To test the aforementioned hypotheses we will use a sample of 270 (15 per condition, 18 groups) randomly sampled university students in an experiment conducted in a dedicated computer lab running the Medialab2006 experimental software (Empirisoft 2006). The setting will involve a trial of a new electronic product or an internet service. Pre-treatment subjects will be given information on a new protocol outlining the standards of business-consumer relations, such as honesty, that firms should adhere to. The subjects will be informed that they had recently made a purchase, then given the specifications of their final choice of product or service. Eight treatments will be applied over the course of the experiment, varying from goal/value congruence or incongruence. The subjects' response to each action will be observed by offering the choice of five cynical (negative), five neutral, and five opposite (positive) behavioural responses. The treatments will be followed by measures of disconfirmation and expected dissatisfaction. For the purposes of clarity, the experimental design will be divided into two parts, Study 1 will examine the static hypotheses and Study 2 will examine the dynamic hypotheses using a longitudinal design.

### Study 1

<i>Static: Between Subjects</i>	VI	VC
GI	↑	← H <sub>1b</sub> →
GC	↓ H <sub>1a</sub>	

The between subjects design is illustrated in Figure 2. The study will be a four-cell design, counterbalanced with goal and value congruent treatments. The product or service context will be randomly assigned, to improve external validity over different settings, whilst controlling for the possible effects of switching barriers and competition. The design will test whether goal and value incongruence leads to cynical consumer behaviours (H<sub>1a</sub> and H<sub>1b</sub>) by comparing the number and type of behaviour choices under conditions of congruence and incongruence.

**Fig 2. Cross-sectional design for static hypothesis testing**

The design will also test the mediator role of expected dissatisfaction between incongruence and cynical consumer responses (H<sub>3</sub>). The responses will be compared between conditions of congruence. The dependent measures are the number of behaviours chosen according to type (cynical, neutral and positive) and the level of severity of these behaviours within these types.

## **Study 2**

A longitudinal (within subjects) design will follow a replication design to allow for dynamics of learning to be observed. It will test hypothesis of consistent negative disconfirmation on the predictive expectation of dissatisfaction ( $H_3$ ). Expected dissatisfaction will be compared between consistent negative disconfirmation and consistent positive disconfirmation, as well as confirmation of expectations. To generate consistent negative and positive disconfirmation in each group, a sequence of four treatments were consistently negative or positive. Subjects will be exposed to a change in the nature of the treatment at the fifth treatment. To control for ordering effects, the change was counter-balanced in other groups. Hypothesis 3 will compare the expected dissatisfaction levels produced by inconsistent disconfirmation, which will be generated by a random order of congruent and incongruent treatments. It is predicted that consistent negative disconfirmation will produce higher levels of expected dissatisfaction than other conditions, as the expectation is strengthened over time based on past experience, however the effect under conditions of inconsistent disconfirmation is not certain.

To measure the general effect of experience on cynical consumer responses, the behaviours will be compared within groups between the first treatment and the final treatment ( $H_4$ ). It is expected that the number of cynical responses chosen will increase over time, as well as increase in severity, despite consistent positive disconfirmation being in the possible final treatments. This is because incongruent treatments have been administered in the course of the experiment, and subjects' recall of history should have an effect on their final responses.

### **Pilot study and Manipulation checks**

A pilot test of the study will be conducted on a sample of 60 randomly sampled university students. Subjects will be asked to recall their goal specifications and the 'Consumer Relations Code', then rate the congruence level each of the outcomes in the treatment situations on a 5-point scale. The manipulation will be deemed successful if the mean is close to the desired (in)congruence level with a small standard deviation. During the pilot study, two different product settings and two different service settings will be trialled, in order to minimise any contextual influences that may bias the results.

### **Preliminary Results and Conclusion**

Exploratory research using a survey ( $n=30$ ) and verbal protocols ( $n=5$ ) under different experimental conditions, indicated that subjects expressed dissatisfaction and cynicism in terms of the expected set of cynical behaviours, while conditions expected to induce higher levels of cynicism showed increased levels of cynical behaviours. Further data analysis will test the hypotheses. Although many similar constructs have received an adequate amount of attention, consumer cynicism is currently an under-researched phenomenon. As noted by Helm (2004), consumer cynicism is a prevalent force in today's marketplace with potentially negative effects on consumers and firms. This paper makes a contribution in this area by investigating goal and value incongruence as potential antecedents of consumer cynicism in a dynamic experimental setting. The behavioural focus of the experiments tests of the proposed link between the causes and effects of consumer cynicism. The longitudinal design allows procedural measures to investigate the suggested mechanism behind development of cynicism over time. Investigating the causes and effects of consumer cynicism may contribute to better understanding of its impact on marketing activities and possible intervention strategies that may help prevent or remedy cynical consumer behaviours.

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