

When Apology Isn't the Best Policy: The Negative Impact of Apologies on Consumer Judgment and Behavior

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Should the firm still apologize in these situations?



Theory and Contribution

Apologizing is widely considered to be a key component of effective service recovery strategies (Liao 2007 *JAP*; Smith, Bolton, & Wagner 1999 *JMR*)

Yet most research on service recovery has relied on explicitly informing people that a failure has occurred and testing the impact of an apology (van Vaerenbergh et al. 2018 *JSR*)

We propose that when a service failure is ambiguous, apologizing may backfire by making consumers more likely to encode it as a failure

Overview of Studies

Studies 1 & 2

Can apologies backfire?

Study 3

Ambiguity as a moderator of apology efficacy

Study 4

Encoding is the mechanism

Study 5

Field experiment and repurchase behaviors

Our Field Study

- **Preregistered on As Predicted #12703**
- **Participants**
 - 3,083 customers of a restaurant delivery service (partner firm)
 - Received orders up to 15 minutes past quoted time
- **Method & design**
 - Firm gave proactive **apology** or gave **no apology**
- **Dependent measures**
 - Post-purchase survey and repurchase behavior in next 90 days
 - Controlled for customer tenure, order size, initial quote time, market

Our Predictions

We hypothesize apologizing will decrease...

- Post-purchase attitudes
- Repurchase behaviors

Field Study: Post-Purchase Attitudes

8

6

4

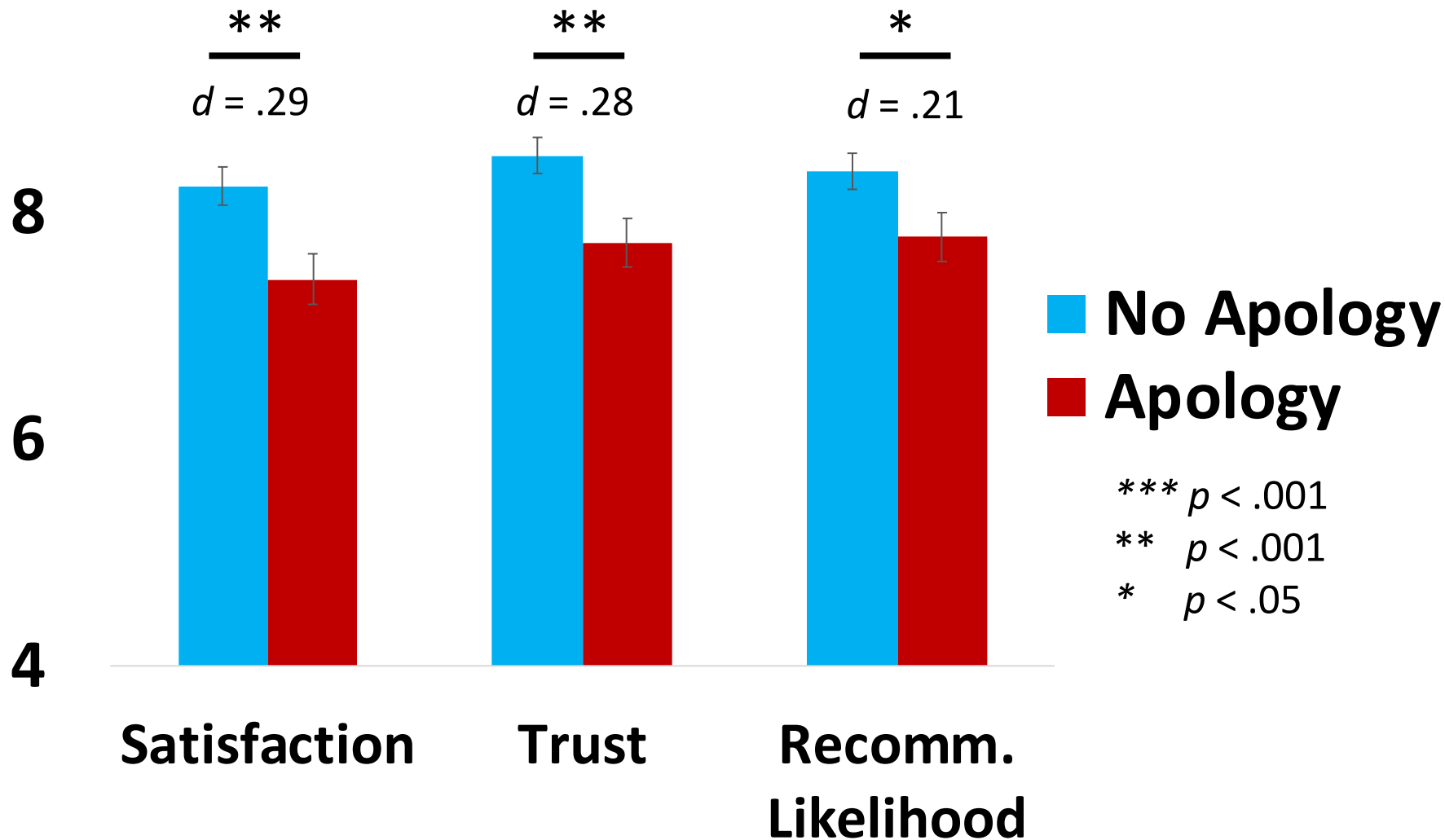
■ No Apology (n = 249)
■ Apology (n = 191)

Satisfaction

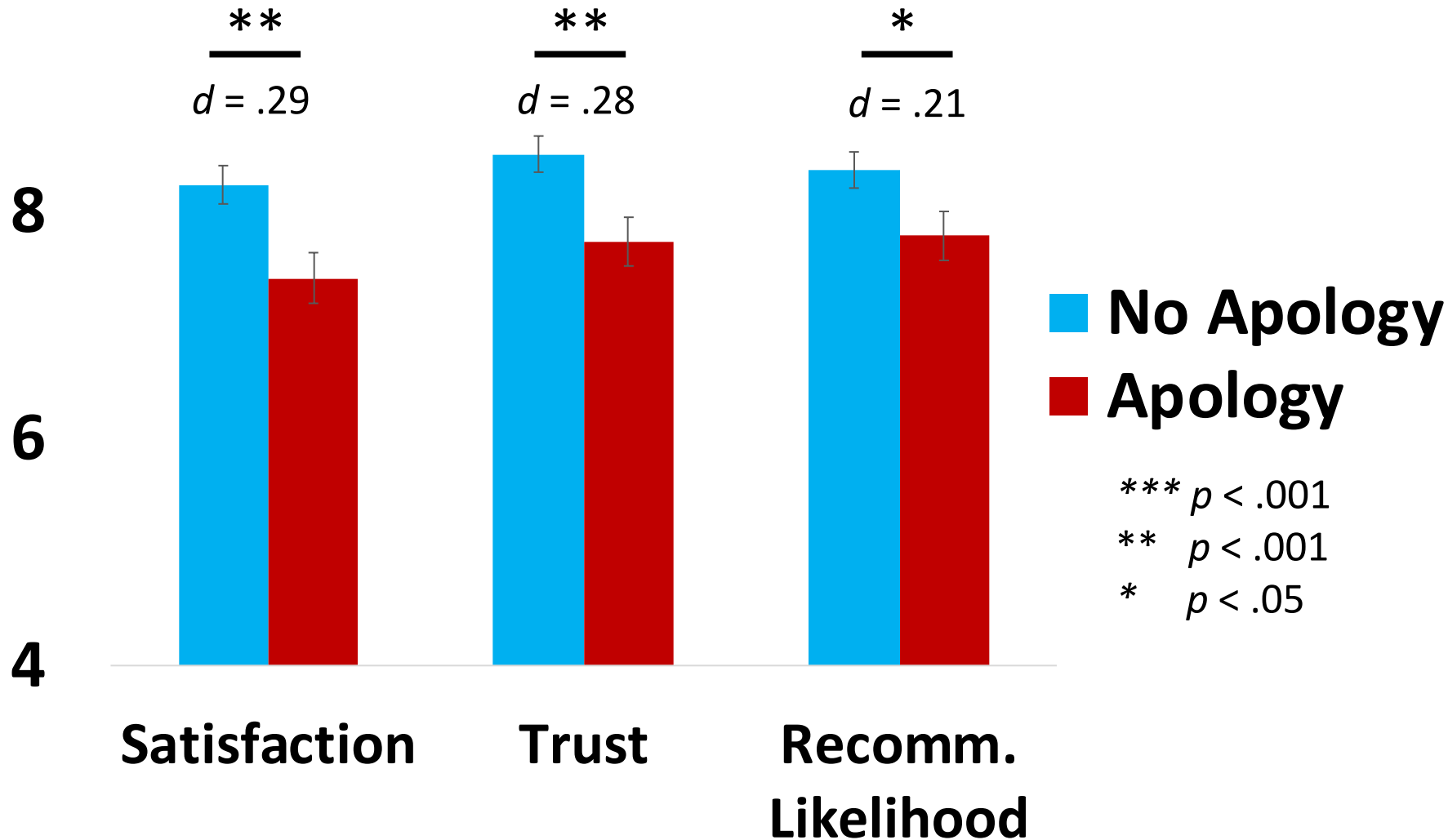
Trust

Recomm.
Likelihood

Field Study: Post-Purchase Attitudes



Field Study: Post-Purchase Attitudes



Apologies for marginally-late orders negatively impacted customers' post-purchase evaluations of their experience

Field Study: Repurchase Behavior

Repurchase Behavior in following 90 days

	Never Reordered	Re-ordered
No Apology		
Apology		

Field Study: Repurchase Behavior

Repurchase Behavior in following 90 days

	Never Reordered	Re-ordered
No Apology	355	1322
Apology	354	1052

$\chi^2 (1, N = 3,083) = 6.94, p = .008$

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	β
# repeat orders	
Re-order delay	
Total spend	
Avg. order spend	

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# repeat orders	1.96***
Re-order delay	-2.44 days***
Total spend	\$54.31***
Avg. order spend	NS

*** $p < .001$, ** $p < .001$, * $p < .05$

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Apologies for marginally-late orders had detrimental effects on customers' long-term repurchase behaviors when issued for an ambiguous service failure

Conclusions

Apologizing is not always the best policy

If consumers have not already encoded an experience as a failure, apologizing can tarnish perceptions of the firm and decrease loyalty

In such instances, firms' efforts may be better directed toward ensuring that consumers' next experience is an unambiguously positive one