

# Exploring consumer conflict management in service encounters

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**Abstract** Consumer researchers have yet to examine how consumers frame and deal with conflict. Understanding how consumers manage conflict is essential for service providers seeking to effectively recover instances of service failure, and avoid the costs associated with increasing instances of consumer anger. Using a modified grounded theory approach, we develop a model of consumer conflict management drawing on 39 informant accounts of service failures. The emergent model proposes that consumers' conflict style is related to whether conflict is framed in task or personal terms. Task-framed conflicts resulted in more productive conflict styles than those framed in personal terms. Self vs. other orientation moderated the relationship between conflict frame and conflict style. These findings help us better understand the nature of consumer conflict and identify the importance of carefully targeting service recovery efforts to reduce instances of anger.

**Keywords** Consumer conflict styles · Service recovery · Brand relationships · Grounded theory

## Introduction

Instances of consumer-induced conflict are commonplace in service encounters (McGregor 2008), and according to reports, the most common form of workplace conflict experienced by frontline service staff (with estimates suggesting customer induced conflict represents 43 per cent of all conflict faced by service employees). The same research suggests up to 10–15 per cent of service staff experience verbal aggression from consumers every day, while 82 per cent of service employees report experiencing abuse from customers at some time (Grandey et al. 2004; Grandey et al. 2007). Such conflicts result in considerable costs to the firm including increased role stress, burn-out, absenteeism, turnover (Grandey et al. 2004; Grandey et al. 2007); not to mention the costs (including declining brand equity) associated with negative word of mouth and high profile activities such as web-based consumer activism and brand hate-sites (Singh 1990; Ward and Ostrom 2006).

Understanding the nature of consumer-driven conflict is critical for service providers looking to design effective service recovery strategies. As well, understanding consumer-induced conflict is critical given the emphasis firms place on service as a point of differentiation, and the centrality of staff-customer interactions to effective relationship marketing strategies (Bolton et al. 2003; Tax et al. 1998). Conflict is “an interactive state manifested in incompatibility, disagreement, or difference within or between social entities” (Rahim 1986, p.13). However, designing effective responses to consumer conflict is particularly difficult because customers

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