

## **Did I Get a Better Deal? How Social Class Comparison And Emotions Influence Consumer's Responses To Service Recovery**

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### **Resumo**

Financial compensation has been considered the most effective tactic to recover from a service failure. However, sometimes companies offer different compensations to customers in a similar situation, which may trigger positive feelings such as surprise, or negative like anger. Considering that social comparisons have become more common in nowadays connected society, it can be a critical driver of consumers' responses to a service recovery, such as word of mouth, satisfaction and repatronage intentions. When people are treated differently, and they are aware of it, many are the explanations that an individual can use to try to make sense of the situation and one of them is discrimination attribution. When discrimination is related to social classes it might influence anger levels and therefore, customer responses to the recovery process. In this paper, these relations are analysed in 3 experimental studies considering a hotel setting. Social class comparison indeed impacts anger feelings and customer responses, especially when the target individual is perceived to be from a higher social class. This work shed some light on the importance of social comparisons among customers involving social classes, since this is a topic that lacks academic attention



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**Key words:** social class, social comparison, service failure, anger, surprise

## 1. INTRODUCTION

Despite service providers have tried to recover failure situations using different tactics, they have not yet completely succeeded in their understanding about it (Van Vaerenbergh, Varga, Keyser, Orsingher, 2018). Among these tactics, financial compensation has been considered the most effective to recover from a service failure (Gelbrich and Roschk, 2011), since it impacts positively satisfaction (Noone and Lee, 2011), loyalty (Haesevoets, Hiel, Pandelaere, Bostyn and Cremer, 2017) and positive WOM (Roschk and Gelbrich, 2014). Nevertheless, the extant literature (e.g. Gelbrich, Gähtke and Grégoire, 2016) has addressed mostly the impact of compensation on satisfaction, paying less attention to consequences in terms of word of mouth (WOM), as well as other mechanisms that might be relevant in this phenomenon, such as the possibility of comparisons among the complainants.

Comparisons among consumers have become more relevant because nowadays consumers have available communication tools to interact with their peers face-to-face as well as through online platforms that allow them to engage and spread electronic word of mouth (eWOM) about a company or a brand (Chu and Manchanda, 2016; Schweidel and Moe, 2014). In this context of more profuse social interactions, comparisons among customers, who might be similar or dissimilar (Mussweiler, 2003) in several characteristics can be a critical driver of consumers' responses such as WOM, satisfaction and trust.

Although social comparisons are increasingly frequent and with relevant impact on consumers' reactions to the recovery efforts (Bonifield and Cole, 2008), this topic has been somewhat neglected in service recovery literature (Bortoli and Pizzutti, 2017). This paper addresses this gap in the literature by exploring the impact of a financial compensation as a service recovery tactic when the consumer (called here "the focus consumer"<sup>1</sup>) can compare it with a different compensation gained by another consumer (called "target consumer") who belongs to a high or low social class.

People look forward to know how other people are behaving or what benefits they are receiving, either in order to check if they are receiving what they "deserve" or as the target consumer (Johnson and Lammers, 2011; Kraus, Piff, Denton, Rheinschmidt and Keltner, 2012). When people are treated differently than their peers and they are aware of it, many are the explanations that an individual can use to try to make sense of the situation. When the reasons are ambiguous to customers some behaviors may be perceived as discriminatory (Backer and Meyer, 2012). These discriminatory attributions might be related to several issues, such as racial (Baker, Meyer and Johnson, 2008; Crockett, Grier and Williams, 2003), gender (Iyer and Ryan, 2009), and social class or hierarchy aspects (Ordabayeva and Fernandes, 2018; Piff, Kraus, Cote, Cheng and Keltner, 2010; Rucker, Galinsky and Dubois, 2011), but all of them are related to power unbalance, which is the perceived asymmetric control that one has compared to others (Rucker et al., 2011).

Therefore, in a service recovery context, receiving less compensation compared to a target consumer who is perceived as part of the upper class could be attributed to discrimination, consequently, resulting in negative reactions such as less repatronage intentions (Backer and Meyer, 2012). So, we would expect that people receiving less financial compensation than a peer who appears to be from higher social class, would adopt discriminatory attributions which would result in negative behaviours towards the company. Likewise, receiving less compensation than a target customer who is perceived as belonging to a low social class, could also backfire. The focus consumer could become confused wondering about the reasons for the

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<sup>1</sup> In this paper, "focus consumer" is related to the consumer who makes the comparison, and "target consumer" is related to the individual with whom the focus consumer compares himself to.

differential treatment.

Additionally, other factors might also play relevant roles in the relation between compensation and consumers' reactions, such as surprise. We propose that when a consumer receives a higher level of compensation than his peers, he may feel surprised (Derbaix and Vanhamme, 2003). This emotion increases cognitive load and one way to relieve it is through talking about it (Söderlund, 1998), therefore consumers surprised by higher compensations would engage in more positive WOM, as well more repatronage. On the other hand, when receiving less compensation than other customers, anger would be a negative feeling triggered by frustration associated to the differential treatment and it would interfere on consumers cognitive and behavioural responses such as satisfaction, repatronage and negative WOM (Baker, Meyer and Jonson, 2008; Bougie, Pieters and Zeelenberg, 2003; Van Vaerenbergh et al. 2018).

The article is organized as follows: first the theoretical basis and research hypotheses will be presented. Afterwards two empirical studies will be described and results presented. Finally, discussion of results, as well as theoretical and managerial contributions will be demonstrated.

## 2. THEORETICAL BASIS AND HYPOTHESES

Service failures are one among several factors that impact consumer satisfaction (Orsingher, Valentini and Angelis, 2010). It addresses a situation where the service was not sufficient and usually implies the need of a recovery process. In this context there is an exchange, in which the customer experiences a loss and the company tries to offer a gain or a compensation (Smith et al., 1999). The recovery process tries then to re-establish a balanced relationship with customers (Bonifield and Cole, 2008). It may assume the form of an explanation about the situation that happened, an apology and an offer of compensation (Basso and Pizzutti, 2016; Fu, Wu, Huang, Song and Gong, 2015; Roschk and Gelbrich, 2014; Wirtz and Mattila, 2004). The goal of this study is to focus on financial compensation (Fu et al., 2015; Roschk and Gelbrich, 2014).

Previous studies identified that higher compensation levels do generate greater satisfaction (Gelbrich et al., 2015; Noone and Lee, 2011) and loyalty (Haesevoets et al., 2017), even if only to a certain extent. Likewise, word of mouth (WOM) has been analysed as a consequence of service recovery processes (Roschk and Gelbrich, 2014).

One of the mechanisms that may explain these positive consequences of receiving higher compensation is surprise. It is usually created by some external stimulus or event that occurs suddenly or unexpectedly. Among the different actions arising from a situation involving surprise is the fact that the individual expresses surprise verbally, i.e. he speaks about what happened and what surprised him and expresses joy and happiness with this situation (Izard, 1977). Therefore, the intensity of the surprise to which the consumer is subjected to is correlated with the frequency of WOM in which he engages with (Derbaix and Vanhamme, 2003).

As surprise increases the individual's cognitive load, he is expected to end up interacting more with his peers or other subjects to alleviate this burden (Söderlund, 1998). Following this logic, it could be implied that, when faced with a compensation above what was expected, and which ends up surprising him, the consumer tends to do more WOM about the situation at hand. Therefore, we propose the following:

**H1: Surprise feelings triggered by higher financial compensations are the mechanism that explain the positive relation between compensation and satisfaction (a), repatronage (b) and intention to engage in WOM (c) after a service recovery situation.**

Despite of positive feelings, negative feelings, such as anger, might also impact consumer responses, especially when receiving lower compensation. Anger is associated with perceiving an event as frustrating or harmful (Bougie et al., 2003), it is a psychological reaction to stressful events where individuals feel hopeless. In a service failure context, it might arise when customers perceive the outcome as unfair or when the company could have avoided the situation (Baker, Meyer and Johnson, 2008).

When customers express anger, it normally triggers other cognitive, affective and behavioural responses from them such as switching intentions, negative WOM and complaining (Bougie et al. 2003). The company is also likely to respond to these feelings, due to the potential it has to disturb the relationship between the parts involved (Glikson, Wirtz, Rees, Kopelman and Rafaelli, 2019). Thus, we suggest that:

**H2: Anger feelings towards the company triggered by differential financial compensations are the mechanism that explain the negative relation between compensation and satisfaction (a), repatronage (b) and intention to engage in WOM (c) after a service recovery situation.**

These effects might be affected by social comparison, which is a common behavior among individuals (Festinger; 1954). The comparison can be upward or downward; in the first, the individual is comparing himself to someone that is considered to be above himself (e.g. having a better performance in a specific task or receiving a higher compensation). In the second, the comparison is to someone with a worst performance (Brown, Ferris, Heller and Keeping, 2007; Dreze and Nunes, 2008). In a service failure and recovery situation, when companies offer customers different financial compensation for example, it will result in a social comparison experience that will be addressed by customers (Backer and Meyer, 2012; Mandel, Rucker, Levav and Galinsky, 2017) using an upward (by receiving less than the peers) or downward (receiving more than the others) perspective (Li, 2019)

When people perceive the differential treatment and the reasons are ambiguous they look for cues in order to understand the situation. It might lead to discriminatory attributions, meaning being harmed or treated differently only because the customer is a member of a certain group. The negative event is usually related to the subject's social identity (Baker et al., 2008).

Discrimination might be related to racial issues such white versus black people (Baker et al., 2008), gender (Iyer and Ryan, 2009), and social class or hierarchy. In the case of this research, social class reflects discrepancies in resources, where those on higher classes possess higher income, bigger wealth and better opportunities in life (Rucker, Galinsky and Magee, 2018), while the ones on lower classes are associated with diminished resources and subordinated rank (Kraus, Piff and Keltner, 2009; Whelan and Hingston, 2018).

In a discriminatory context there is a perception of asymmetry in the control individuals have over that experience which leads to power unbalance (Rucker et al., 2011). These power perceptions are important because they shape and alter consumer behavior (Hill, Martin and Chapli, 2012; Rucker et al., 2011). An individual from an upper social class, for example, tends to feel more powerful and self centered compared to people from lower social classes (Piff et al., 2010). On the other hand, inferiority related to social comparison situations can motivate consumers to try to balance the relation (Kraus et al., 2009). When discrimination attributions are related to the cause of the failure on consumers' perspective, results might be more severe such as less patronage intentions (Backer and Meyer, 2012).

In a frustrating situation such as a service recovery where individuals find out they received less compensation than other ones, they might have anger feelings, which is usually a response to perceptions of social discrimination (Baker et al., 2008). Hence, the results would

be negative reactions from consumers such as less satisfaction with the service recovery process, higher intention to engage in WOM, especially negative regarding the situation, and finally reducing repatronage intent.

It is important to mention that these resentment and anger is directed to the company that adopted preferential treatment, and not towards the target customer. To arouse an emotion an experience must be appraised by the individual as affecting him in some way. In a service failure context, consumers can evaluate the control the service provider had over the failure, as well as over the compensation offered to distinct people and this could arouse anger feelings related to the company that caused the loss in the first place (Bougie et al.,2003).

Considering all the effects that social comparison involving different social classes may have on consumer behavior we propose that:

**H3: Social comparison will moderate the effect of compensation levels in anger feelings towards the company, such that when a customer compares his compensation to a higher (lower) compensation received by a high (lower) social class, he will feel more (less) anger.**

These hypotheses will be further tested and discussed using experimental methods, which will allow us to bring consumer's perceptions to the discussion.

### 3. EMPIRICAL STUDIES

We ran three experimental studies. The first was a single factor (lower vs. higher compensation) intending to test the main effect as well as mediation in a hotel setting with American sample (Mturk). The second was also a single factor that tested main effect and mediation of emotions but the sample was British (Prolific) in order to check if the effects would hold in a different sample. Finally, the third experiment was a 2x2 (compensation vs. social class manipulation) aiming to test the moderation hypothesis, where we used an American (Mturk) sample.

#### 3.1. Study 1a

Initially, we ran a pretest on *Mturk* (N=136) in order to verify upward and downward compensation situations checking consumers expectations regarding the amount of financial compensation received as well as their feelings towards the situation.

We then conducted a single factor between subjects study with Mturk workers (N= 184, 56% male) who answered questions on *qualtrics*. Respondents were exposed to a failure on a hotel where they were awoken early in the morning by loud noises coming from the corridor. Annoyed the customer decided to check out and continue their trip. While checking out, he mentioned the frustration to the front desk and received a 40% financial compensation. On his way out, he overheard other customer who had apparently the same problem receiving a higher compensation of 70% (upward comparison) or a lower compensation of 10% (downward condition).

The manipulation of the financial compensation situation worked as intended  $F(1, 182) = 341,00, p < 0.01$ . Individuals answered the question "how was the compensation the other customer received?" with options going from 1 "smaller than mine" to 7 "higher than mine". The main effect results were also according the literature suggested, where the higher the compensation received, the higher was satisfaction  $F(1,182)= 36.75, p < 0.01$ ), repatronage,  $F(1,182)= 4.12, p < 0.05$  and WOM  $F(1, 182)= 9.53, p < 0.05$ .

The mediation of surprise and anger was tested using Model 4 of PROCESS from

Hayes. The analysis with satisfaction (SAT) as a dependent variable showed significant paths between compensation and surprise ( $a, t = 2.69, p < 0.05$ ) as well as compensation and anger ( $a, t = -5.03, p < 0.01$ ). The relation between surprise and satisfaction was also positive ( $b, t = 5.78, p < 0.01$ ), while the path between anger and SAT was negative ( $b, t = -9.54, p < 0.01$ ). Confidence interval for the indirect effect based on a 1.000 bootstrap samples, showed that surprise mediates the relationship between compensation and SAT (CI from 0.02 to 0.18) and anger feelings also have a mediating role (CI from 0.16 to 0.43). This was a partial mediation, since compensation influences SAT apart from the presence of mediators ( $c', t = 2.71, p < 0.01$ ). The results confirmed hypothesis H1a and H2a. Results using WOM as a DV confirmed H1c indicating that the more surprised the customer is, more likely he is to engage in WOM, however effects for anger were not significant (CI from -0.74 to 0.13), rejecting H2c. When we consider repatronage intentions results were the opposite to WOM. The effects of surprise were not significant (CI from -0.16 to 0.13), refuting H1b. Anger, on the other hand, was significant thus accepting H2b (CI from -0.35 to -0.88), where anger influences repatronage intentions negatively ( $b, t = 3.87, p < 0.01$ ). This was a partial mediation since the direct effect of compensation on repatronage was also significant ( $B = 0.15; t(1, 182) = -2.03, p < 0.05$ ).

### 3.2. Study 1b

A second study was also a single factor conducted using the same situation but with a different sample in order to check if the main effect and mediation of emotions would hold. All the other aspects of the manipulation were kept the same. Data collection was using Prolific platform with British respondents ( $n = 202, 33\%$  male).

Manipulation checks worked as expected. From ANOVA results,  $F(1, 200) = 1478, p < 0.01$ , people who received higher compensation perceived other people's benefit as smaller ( $M = 1.41, SD = 0.79$ ), and the one who received lower levels of compensation perceived other individuals as receiving higher benefits ( $M = 6.50, SD = 1.07$ ). All dependent variables (DV) also had significant results with higher levels of financial compensation generating higher satisfaction, repatronage and WOM effects, therefore

The mediation of surprise and anger was again tested using Model 4 of PROCESS (Hayes, 2013). The analysis with satisfaction (SAT) as a dependent variable resulted in significant paths between compensation and surprise ( $a, t = 3.66, p < 0.01$ ) as well as compensation and anger ( $a, t = -7.67, p < 0.01$ ). The relation between surprise and satisfaction was positive ( $b, t = 4.29, p < 0.01$ ), while the path between anger and SAT was negative ( $b, t = -11.40, p < 0.01$ ). Confidence interval for the indirect effect confirmed that surprise mediates the relationship between compensation and SAT (CI from 0.24 to 0.15) and anger feelings also have a mediating role (CI from 0.27 to 0.61). This was a partial mediation, since compensation influences SAT apart from the presence of mediators ( $c', t = 5.63, p < 0.01$ ). The results confirmed hypothesis H1a and H2a.

The relationship between compensation and repatronage also confirmed a partial mediation only for anger ( $b, t = -6.54, p < 0.01$ ) since effect of surprise was not significant and there was a main effect without the mediator ( $c', t = 7.15, p < 0.01$ ). Hence hypothesis H1b was rejected but H2b was accepted.

There was no mediation for surprise considering WOM as a DV. However the effect was negative and significant for WOM as predicted by H2c. ( $b, t = 2.31, p < 0.05$ ). The effect was stronger when considering negative WOM (nWOM) ( $b, t = 6.39, p < 0.01$ ) with a confidence interval of the indirect effect between -0.53 to -0.22. These results are in line with previous studies who suggest that angry consumers tend to vent their feeling by engaging on nWOM (Glikson et al., 2019).

Studies 1a and 1b showed than main effects were stable, with higher financial

compensation resulting in higher customer satisfaction, repatronage intentions as well as WOM engagement. Positive mediation of surprise was consistent considering satisfaction as a DV but it did not affected repatronage intentions as hypothesized. Mediation of anger was consistent on satisfaction and repatronage intentions, an, in spite of the absence of effect on WOM in study 1a, it was significant on study 1b. With all these consistent results, we decided to run another study to then check the effect of social class comparison on customers.

### 3.3. Study 2

A third study was conducted using the same scenario but also manipulating social comparison resulting in a 2 (compensation: higher *versus* lower) x 2 (social class: high *versus* low) experiment in order to check for moderation effects. Manipulation was made suggesting that the other customer appeared to be from a higher social class and was formally dressed *versus* he was from a lower social class and was informally dressed. This manipulation was inspired on Baldwin and Mussweiler (2018) as well as Rucker et al (2018), where dress code and formally dressing might be associated to upper social classes.

Data collection used *Mturk* platform with American respondents (n=240, 55% male). From Anova test, manipulation checks of compensation worked as expected,  $F(1, 238) = 397,21$ ,  $p < 0.01$ . Manipulation check of social class also worked,  $F(2, 237) = 129,23$ ,  $p < 0.01$ , since respondents in the lower condition perceived themselves as being in a less favoured social class ( $M = 2.80$ ,  $SD = 1.73$ ), while the higher class condition was perceived as part of a higher position in the “social hierarchy” ( $M = 6.12$ ,  $SD = 1.05$ ).

Likewise, main effects confirmed higher compensation resulting in higher satisfaction, repatronage intentions and nWOM, where individuals who received less compensation, demonstrated higher intentions to engage on negative WOM.

Mediation tests indicated consistence in the previous results since the analysis with SAT as a DV was significant for paths between compensation and surprise (a,  $t = 2.67$ ,  $p < 0.01$ ) as well as compensation and anger (a,  $t = -3.63$ ,  $p < 0.01$ ). The relation between surprise and satisfaction was positive (b,  $t = 7.58$ ,  $p < 0.01$ ), while the path between anger and SAT was negative (b,  $t = -11.93$ ,  $p < 0.01$ ). Confidence interval for the indirect effect confirmed that surprise mediates the relationship between compensation and SAT (CI from 0.03 to 0.21) and anger feelings also have a mediating role (CI from 0.11 to 0.41). This was a partial mediation, since compensation influences SAT apart from the presence of mediators ( $c'$ ,  $t = 2.94$ ,  $p < 0.01$ ). The results confirmed hypothesis H1a and H2a.

Results using repatronage as DV confirmed mediation of anger (b,  $t = -7.03$ ,  $p < 0.01$ ) and surprise (b,  $t = 5.68$ ,  $p < 0.01$ ). Hence hypothesis H1b and H2b were accepted (anger CI from 0.8 to 0.31, and surprise CI from 0.02 to 0.21). Considering WOM as a DV confirmed H1c (b,  $t = 2.57$ ,  $p < 0.05$ ) indicating that the more surprised the customer is, more likely he is to engage in WOM. It was a full mediation ( $B = -0.11$ ;  $t(1, 248) = -0.94$ ,  $p > 0.05$ ). However, effects for anger were not significant (CI from -0.12 to 0.01). Although, when we specifically analyse negative WOM, which is expected to be related to anger feelings, then anger has a significant mediation effect (b,  $t = 9.58$ ,  $p < 0.01$ ). There is no direct effect of IV on DV ( $B = -0.50$ ;  $t(1, 248) = -0.40$ ,  $p > 0.05$ ), therefore, anger fully mediates the main effect with an confidence interval from -0.23 to -0.64, confirming H2c.

There was no direct moderation of social comparison (Hayes Model 1), however, as predicted, there was a moderated mediation of the relationship between compensation and anger, influencing consumer responses. In order to run it, we used model 7 from Hayes (2013) including a floodlight (i.e., a technique that identifies simple effects on all possible values of the moderator – social comparison) analysis (Spiller et al., 2013).

The moderating effect of social class on the relation between compensation and anger

was significant for the DVs satisfaction, repurchase and negative WOM. The effect of compensation on anger was significant ( $a=0.68$ ,  $t(236)= 5.61$ ,  $p<0.01$ ) anger on SAT was also significant ( $b= -0.256$ ,  $t(237)= -5.24$ ,  $p<0.01$ ). The interaction was significant at a  $p<0.10$  level, where the effect was  $0.25$ ,  $t(236)= 1.68$ ,  $p=0.9$ . The indirect effect of compensation on SAT through anger was  $b= -0.13$  for respondents comparing themselves to an individual of lower class, while  $b= -0.23$  for respondents comparing themselves to a customer from a higher class. It means that offering the peers higher compensation had a negative effect on satisfaction, especially when the other customer was from a higher social class, therefore confirming H3a. The results of repatronage as DV (H3b) were similar.

Additionally, these results are aligned to moderated mediation of social comparison, considering negative WOM as the DV (H3c). Impact of anger on nWOM was significant ( $B=0.58$ ,  $t(237)= 10.75$ ,  $p<0.01$ ) so that the more anger an individual felt, the higher his intentions to engage on negative WOM. The indirect effect was  $b= 0.29$  for individuals comparing themselves to lower social class customers, and  $b= 0.52$  when the other customer was from a higher social class. Despite of all the significant results, the index of moderated mediation interval included 0 (lower:  $-0.029$ , upper  $0.316$ ), probably due to the fact that the interaction was significant at a  $p=0.09$ . Hence requiring further studies.

#### 4. DISCUSSION AND CONCLUSION

Through 3 experimental studies with *Prolific* and *Mturk* respondents it was possible to identify that when a company offers higher levels of financial compensation, consumers do have higher satisfaction and repatronage levels, and they are more likely to engage in WOM regarding the situation.

Surprise also plays a relevant positive role as a mediator related to satisfaction, partially supporting H2. These results are aligned with Söderlund (1998) studies but evidence that the effects suggested by Derbaix and Vanhamme (2003) that surprise felt by customers influences their intentions to talk about the company and the experience (WOM), apparently do not hold in service recovery situations. Further studies will be necessary in order to verify these results, as well as the impact on repatronage intentions since in some studies it was significant while in others it was not.

In service encounters, the provision of a pleasing experience that customers do not expect or that surprise them, such as a financial compensation, may result in customer's delight (Bitner, Brown, Meuter, 2000; Dutta, Guha, Biswas and Grewal, 2017) and that would be one of the explanations of surprise effects. One of the possible reasons for not finding these positive impacts might be related to other factors such as locus of attribution regarding the failure (Wan and Wyer Jr, 2018), or even suspicious thoughts related to ulterior motives from the company (Pelser, Ruyter, Wetzels, Grewal, Cox and van Beuningen, 2015), where the customer wanders "why is the company offering something I was not expecting? maybe perhaps this problem occurs on a regular basis?"

On the other hand, a mechanism that can help to explain negative customer responses is anger. Receiving lower compensation levels, results in anger and it has a negative effect on how people react, such as satisfaction, repatronage and WOM. Especially when consumers compare themselves to individuals from different social classes

These results shed some light on the role of negative emotions in a service recovery context, contributing to previous findings from Bougie et al (2003) and Glikson et al (2019). Literature already showed that when involved in an upward comparison (receiving less than the other peers), individuals are prone to spread negative WOM since the inequality considering someone that received bigger benefits than yourself may trigger negative feelings (Givi, 2017). However, little attention has been paid to the results of comparisons related to social classes

(Kraus et al., 2012) and general discrimination perceptions in service failure contexts.

Results from experiment 3 suggested that the indirect effect of compensation on satisfaction through anger feelings was worst when the target customer was perceived as belonging to a higher social class. Probably this is related to discrimination perceptions from individuals who receive fewer benefits than a rich person in a similar experience does.

This is an important contribution from this research to literature. Rucker et al (2011) and Kraus et al., (2012) had already verified how power influences some behaviors from customers such as agentic versus communal interactions. Baker et al (2008) proved that racial discrimination in service failure situations triggers anger feelings. However, as far as our knowledge goes, no studies have investigated the impact of social classes and this specific kind of discrimination on service recovery situations involving different levels of financial compensation.

This paper is a work in progress and intends to provide better understanding on how financial compensation offered by companies in a recovery of a service failure situation might influence consumer behavior regarding word of mouth, repurchase and satisfaction in a world where social comparison happens frequently. The preliminary findings, however interesting, need further study in order to verify if effect holds and if it is maybe stronger in other contexts.

Authors would imagine that in online platforms, such as social networks, which stimulates information sharing, foster social interaction and one's social comparison to other users (Liu et al., 2016; Ordabayeva and Fernandes, 2018) these effects would be easier to identify. Additionally, in future studies it will be important to measure discrimination attributions as well as to include a control group in order to control for the effects. In summary, social comparison is still a topic that needs further research, especially when we think about its impact on consumer behaviour (Givi, 2017; Kraus et al. 2012).

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