LOW INCOME CONSUMERS STIGMA: DISCRIMINATION AND THE STRESS RESPONSE IN SERVICES

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ABSTRACT

Marketplace discrimination, which involves a differential treatment of customers in the marketplace based on perceived group-level traits, is common in service encounters. In this study, we attempt to answer a basic question: How low income customer's deal with stigma and what are the major coping strategies utilized during a service encounter. In order to create and evaluate strategies for dealing with the destructive effects of stigma we must understand its nature and impacts on marketing activities. Drawing the study under Social Identification Theory (Tafjel and Turner, 1979), the research was design with a qualitative approach with 210 interviews with low-income customers, done in the South of Brazil, using Critical Incident Technique (CIT) for the interviews. The data transcriptions was analyze with Content Analysis N-VIVO software, to evaluate the stigma impact during service encounters and also, what kind of coping strategies were used by low income customers. Coping differences may explain some consumers' decisions not to complain. These findings give some directions and managerial implications for those companies who intend to deal with low-income consumers.

INTRODUCTION

Social stigma is a pervasive aspect of our culture. According to Goffman (1963), people who are stigmatized have a spoiled identity in the eyes of others; they bear a “mark” that renders them susceptible to social devaluation. Extensive research has documented that negative stereotypes about members of stigmatized groups are often widely known in a culture, even to individuals who do not endorse them (Fridja, 1992), and even to those who are targets of these stereotypes (Steele, 1992, 1997).

Recently, attention has turned to examining how people who are targets of negative stereotypes understand and interpret their experience as members of socially devalued and disadvantaged groups, how they attempt to cope with their experience, and what consequences these coping strategies have for their self-esteem (Chauduri, 1992, 1997).

The coping literature on coping, the consumer behavior coping literature, tends to conceptualize coping strategies as either being predominantly “problem-focused” or “emotion-focused” (Skinner et al., 2003). To date, coping in consumer behavior has been studied in response to a single emotion. Instead, multiple negative, and even positive emotions are likely to have unique relationships to specific consumer coping strategies (Luce, 2005).

The literature tends to posit direct functional relationships between emotions and coping processes. Further studies gave a new approach suggesting that emotional and cognitive appraisals interact to influence consumers' choice of coping strategies (Luce, 2005). Several links were made between emotions and coping process, for example, between the experience of threat-related emotions and the use of avoidant coping strategies (Luce, 2005). Yet, other research has linked threat experiences to social support and seeking strategies (McCrae and Bordenhausen, 2000).

METHODOLOGY

We selected the critical incident technique (CIT) as most appropriate for discovering the underlying sources of discrimination and dissatisfaction in service encounters.
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(Bitner, Nyquist and Booms, 1985). CIT consists of a set of specifically defined procedures for collecting observations of human behavior and classifying them in such a way as to make them useful in addressing practical problems (Flanagan, 1954). The CIT is essentially a classification technique employing content analysis of stories or "critical incidents" as data.

The research had a qualitative approach, using the literature review for interviews questions. The data was analyzed using a Content Analysis software (NVivo) as a research tool used to determine the presence of certain words or concepts within texts or sets of texts, and then coded into manageable content categories. Through interviews or observation, the CIT records events and behaviors that have been observed to lead to success or failure in accomplishing a specific task (Ronan and Latham, 1974). The specific descriptions of events and behaviors are identified as critical incidents.

An incident is defined as an observable human activity that is complete enough in itself to permit inferences and predictions to be made about the person performing the act. A critical incident is one that contributes to or detracts from the general aim of the activity in a significant way.

Content analysis is a research tool used to determine the presence of certain words or concepts within texts or sets of texts. Its capacity to provide accurate and consistent interpretations of people’s accounts of events without depriving these accounts of their power or eloquence (Vinой 1983). Researchers quantify and analyze the presence, meanings and relationships of such words and concepts, then make inferences about the messages within the texts, the writer(s), the audience, and even the culture and time of which these are a part (Baumestier et al, 2005). Conceptual analysis begins with identifying research questions and choosing a sample or samples. Once chosen, the text must be coded into manageable content categories. The process of coding is one of selective reduction. By reducing the text to categories consisting of a word, set of words or phrases, the researcher can focus on, and code for, specific words or patterns that are indicative of the research question. In our research, we use two judges. Trained judges are important when content analytic methods are used; as they become familiar with the coding scheme and operational definitions, intrajudge and interjudge coding reliability would be expected to increase (Baumestier et al, 2005). Reliability is concerned with consistency; it is a matter of whether a technique, applied repeatedly to the same object, would yield the same result each time. In CIT studies employing content analytic methods, assessments of reliability generally focus on judges’ (or coders') abilities to consistently classify incidents into specified categories, interpretation difference up to 10% are consider to be consistently. We selected a coding scale based on Consumption Emotion Descriptors – CES (Richins, 1997) and Differential Emotions Scale – DES (Izard 1977) emotional scales that are the most used scales in the study of emotions on consumer behavior. Another advantage is that CIT and content analysis utilize both qualitative and quantitative examination of communications (combining "rigor and vigor") (Shaver et al, 1987).

The research results based in our coding strategy showed significant copying situations and the most relevant are Complains (26%), Fear to Public Exposition (20.80%), Boycott (20.33%), Resignation (17.02%), Aggressiveness (8.27%) and Evasion (7.56%).

Sample
Our research limitations were consumers only white color skin adults (in order to avoid racial stigma), age between 20 and 60 years old, with family monthly income (considering 4 individuals in the family) below US$1,200.00, which in Brazil according to the Brazilian Institute Geography and Statistics (IBGE) are classify as low income individuals. We did 210 interviews from November 2011 and April 2012 in the South Region of Brazil. In figures 1, 2, 3 we can observed the sample characteristics:

### RESULTS
Comparing the judges’ results, as they were very similar, it was not required a third opinion. In figure 4, the emotion type and frequency that each emotion appeared according to the judges in the research:

### CONCLUSIONS
Allport (1937) opened an avenue to explore after his innovative work fifty years ago. He implied that the limits
of people's cognitive apparatus and the restrictions dictated by self-interest probably shape social judgment altogether.

This investigation contributes to the behavioral theory in several manners: observing the connections between emotions and coping strategies; analyzing practical and behavioral consequences of emotions.

Emotional and cognitive predecessors to coping and assimilating patterns of emotional response have been widely recognized in the consumer literature (Westbrook and Oliver 1991). Some investigators have designed or tailored scales in order that they become pertinent to the particular context of consumption emotions (Izard 1997, Richins 1997, Plutchick, 1980, Mehrabian and Russell, 1974).

The responses founded in field interviews were classified according problem and emotional focused and linked with the emotional content and the stigmatization and social devaluation of the low-income consumer group.

The research pointed out innumerable conclusions and managerial implications of stigmatized behavior. Among them, the results affirm that stigmatized behavior crosses the limits of the service encounter. It actually surpasses the bounds established between the parties involved. This cumbers the consumer with unexpected tension to come up with coping mechanisms within the timeframe of the encounter. In an encounter, distinct ambiguity may be inserted because of the presence of a low-income factor – temporary status differential (Fridja et al, 1992). Often, the contact personnel is poor. When status differential favors a consumer it automatically ignites discomfort on attendants who refuses accepting the temporary status superiority of the other part equally low-income (Goffman, 1963).

The author argue that low-income consumers stigma impact on purchase decisions and influence coping strategies. Low-income consumers faced an everyday "hard and constant" pressure of stereotype and social identity threat makes the battle between emotions, impulse and self-control, between fleeting desire and long-term goal, and the used of different coping alternatives for that control purpose. Hierarchical coping dimensions reticulate existing theories of customer response to dissatisfaction and conflict (Hewitt, 2005), in particular customer complaint behaviors (i.e. active coping) and word of mouth (i.e., expressive social support).

In addition, the author discusses other managerial implications:

- **Firstly**, managers who look for raising their customer satisfaction in service encounters should keep in mind low-income consumers coping strategies. This investigation unveils stigmatized happening and behaviors that underlie service encounter dissatisfaction, even though there are a significant link between emotions and coping. Programs for monitoring customer dissatisfaction, developing service procedures and policies, as well as training contact personnel can be designed based on some insights found here.

- **Secondly**, those customers who do not get equal treatment due to their image or appearance, undergoes a form of employee’s differentiation that is both unacceptable and subtle. Companies are expected to make sure they consider those not only when training but also when hiring new employees.

- **Thirdly**, stigma perception can differ from factual circumstances, and reviving coping responses used may suffer influence of current attitudes.

- **Finally**, the category of coping strategies can possibly be pertinent to many high-contact transaction-based service industries. The classification system is abstract enough to classify several industries with sufficient detail to suggest an overall management procedure to upgrade customer's satisfaction in service encounters.

Future research is needed to investigate the following:

- The connection between coping and additional emotional responses;
- crecent interest on how people communicate within the reality of their groups;
- The influence on individuals’ social positions on their receiving and arranging social information. Factors as diverse as the power people have the immediate audience they have to face, or the moral credentials they enjoy have all been shown to shape people's reactions to groups and group members. Reinforcing Prahalad (2005) words: “Companies that set strategies to reach low income customers should start showing respect and dignity in their actions and procedures”.

REFERENCES


