
The almost customer: a missed opportunity to enhance corporate success

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Abstract

Little attention has been paid to prospective customers who defect before buying. This paper examines the almost customer phenomenon. It reviews literature on service quality, customer satisfaction, retention, relationships, loyalty and defection. It also categorizes the causes of almost customer experiences into a series of themes. The almost customer phenomenon and its effects are presented in the context of implications for managers and for future research. The almost customer phenomenon may appear to be a study of early customer defection, but the almost customer defects before buying. The customer defection literature assumes that a firm has attracted customers. But, not every attempted transaction leads to a purchase. Sometimes, elements of the interaction have an impact on whether or not the individual buys. This paper examines defection before a customer becomes a customer. Reducing the incidence of almost customer episodes represents an opportunity for firms to optimize growth and profitability.

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Introduction

Firms are not always successful in engaging strangers and helping them become customers. If firms were able to perform this task well, visitors to a firm would never terminate a service encounter without first making a purchase – signing on as a customer. We know this is not the case. Much of what transpires during a service encounter (sometimes even before the initial contact between the prospective customer and sales person) determines whether or not a firm ever sells anything. Yet few firms invest the time and money needed to research how their actions turn away prospective customers before they have a chance to become customers.

There are countless examples of individuals who visited a business with cash in hand ready and intent on making a purchase but, because of some event or service failure, abandoned their efforts to become customers. We label these individuals “almost customers” – they tried to become customers, only to be thwarted by the actions (or inactions) of the businesses with which they wanted to deal. The service failure that causes the almost customer phenomenon occurs somewhere along the continuum between pre-customer and customer (see Figure 1).

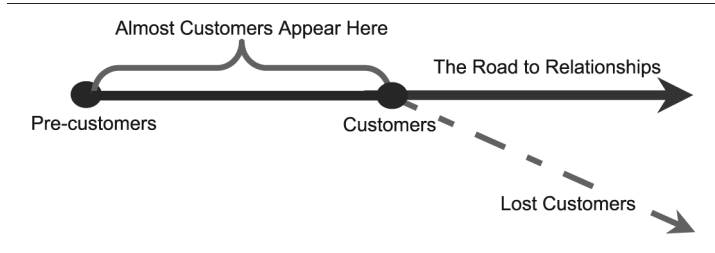
At first glance, one may suggest that the almost customer phenomenon is simply customer defection wrapped in a different label. However, we argue that this is not the case. The focus on customer retention and relationship building assumes that a firm has successfully attracted customers in the first place. But, we know that not every attempted transaction leads to a purchase. Often, elements within the service encounter have an impact on whether the individual makes a purchase. The biggest difference between the two concepts is that the almost customer defects before the transaction; the lost customer after one or more transactions.

Marketers who accept the value inherent in developing customer relationships would argue that many almost customers would have provided considerable long-term value to the firm. However, Barnes (2001a) argues that few firms invest the time and money needed to research how their actions turn away prospective customers before they have a chance to become customers. Barnes also notes that a view of the almost customer is lacking in most firms. We agree and maintain that even those individuals who have yet to complete a transaction and therefore are not yet accorded the title of “customer” are an extremely valuable and often overlooked market segment.

This paper presents the results of a review of marketing and social psychology research relating



Figure 1 The customer continuum



to the almost customer concept, as well as the results of empirical research involving depth interviews with consumers focusing on their almost customer experiences. Concluding sections of this paper build a typology of almost customer causes and effects and develops a model of the almost customer phenomenon. Implications for practising managers and for future research are provided.

Defining the almost customer

We propose the following definition of the almost customer:

The almost customer is an individual who wanted and tried to conduct business with a firm for the first time but became so frustrated with one of more aspects of the firm's value proposition that he or she terminated all attempts to deal with that firm.

Several elements of this definition are important to our understanding of the concept:

- *Desire.* First, the individual must have a genuine desire and interest in purchasing the product or service in question. If an individual entered an auto dealership to test drive a new sports car but lacked a genuine interest in making the purchase or did not have the means to make the purchase, the individual would not be labeled an almost customer if, after the test drive, he or she left the dealership without buying the car. In this case, there was little the firm could do to stimulate the sale and there was nothing the firm did to turn off the prospective customer.
- *No prior transactions.* The almost customer concept also presupposes that the person was not a customer of the firm in the past – otherwise the reaction of the customer to the service failure during the most recent visit would represent an example of a lost or defected customer.
- *Emotional involvement.* To have a true almost customer experience, the individual must experience some event that ignites a negative emotion such as frustration or

disappointment. To illustrate, a prospective customer interested in buying living room furniture who leaves the store empty handed because the colour, size, or style of sofa currently in stock was not suitable would not be considered an almost customer unless this gap in the product line did in fact stimulate negative emotions directed toward the firm or sales staff.

- *Object of the negative affect.* The event causing the negative emotion can be linked to any aspect of the firm's value proposition – that is anything that the individual receives, feels, sees or experiences, whether tangible or intangible, from the firm. This would include the performance of the service staff, elements of the servicescape, variety available, opening hours, etc.
- *No future transactions.* Finally, to fit the almost customer definition, the individual had to terminate the attempted transaction and avoid all future interactions with that firm – never returning to make a purchase. A person who terminated a transaction only to return to that same firm to buy the product (or any other product) did not fit our initial definition of the almost customer.

Existing marketing literature

There is a wealth of published research that demonstrates how a firm can achieve long-term growth and profitability through the development of genuine relationships with its customers – research that can be applied to the almost customer concept. Customer retention is at the root of this research; that is, retaining customers over the long term rather than finding new ones. Customer satisfaction, value, and defection are also significant contributors to this field of study and have received considerable attention.

However, an exhaustive review of the literature and conversations with authorities within the field of relationship and services marketing suggests that practising business managers and academics are not paying attention to the almost customer. In fact, there was consensus amongst those marketing experts contacted by the authors – including A. Parasuraman, Leonard Berry, Mary Jo Bitner, Susan Keaveney, Valarie Zeithaml, Susan Fournier and Ray Fisk – that there is a void in the published research on this topic. All agreed that the almost customer concept warranted further study.

Relationship to relationships: theoretical underpinnings

The interactions between the firm and the prospective customer that lead to the creation of the almost customer are closely aligned with a potential dyadic interpersonal relationship that has gone off the rails during early encounters. The soon-to-be almost customer is analogous to someone who has a desire or aspirations to begin a relationship with what is seen to be a desirable relationship partner, only to be upset, angered, ignored or rejected by the prospective partner in some way.

While the study of what causes potential new relationships to be terminated represents a new area of research for services marketing, social psychologists have long been examining what causes fledgling relationships to fail.

Environmental factors

Setting. Social psychologists have established that people who are skilled at building relationships are cognizant of the importance of the setting (Duck, 1991). In instances where we like the person and desire to develop the relationship further, we are careful to meet the relationship partner in more intimate settings. Conversely, we tend to meet with people we do not like in more sterile, “work-like” settings. Servicescape issues such as a poor or inconsistent ambience may therefore increase the potential for an almost customer experience.

Proximity. People who live in close proximity to one another have been found to be more likely to form relationships than those who live further apart (Fehr, 1996). It is reasoned that with closer proximity, the frequency of interaction of relationship partners is likely to increase and so too does the potential for relationship formation. The quality of the relationship is also positively affected (Ebbesen *et al.*, 1976). Big-box or Web-based retailers may be more likely to create almost customers than are local, neighbourhood retailers.

Individual factors

Physical attractiveness. Attractiveness has been found to play a role in the formation of not only romantic relationships, but also friendships (Fehr, 1996). Research has shown that we perceive attractive people to be more similar to us in terms of personality and attitudes (Patzner, 1985). We may also find it more enjoyable to interact with attractive people (Brehm, 1985). While the implication here is not only to hire the most attractive people for customer-facing roles, the research would also suggest that appropriate dress and grooming are important to relationship formation, especially at the point of initial contact.

Social skills. Duck (1991) cautions against placing too much emphasis on physical traits. Instead, he argues that a person’s skill in interpersonal attraction is the most important predictor of a person’s propensity to form relationships. These “relationshiping” skills depend on a range of factors such as a person’s knowledge of appropriate subject matter, as well as appropriate environments and activities for each stage of relationship development. For example, a funeral would not be an appropriate activity for a first date in the minds of most people. However, as Duck (1991) points out, many people make seemingly obvious mistakes such as this on a regular basis.

Responsiveness, or being attentive and showing interest in others, is identified as a particularly important relationship skill (Duck, 1991; Fehr, 1996). In the words of Dale Carnegie (1936, p. 58):

You will make more friends in two months by showing interest in others than you will in two years while trying to make people interested in you.

Businesses that are not careful to ensure that their customer-facing employees have exceptional “relationshiping” skills will most certainly be at higher risk of creating almost customers.

Situational factors

Possibility of future interaction. Our expectations for seeing the individual again greatly affect our perceptions of the other person and the likelihood of friendship formation (Fehr, 1996). If we anticipate ongoing interactions with someone, we tend to emphasize the positives and ignore the negatives in the encounter so that future encounters will be as pleasant as possible (Knight and Vallacher, 1981; Miller and Marks, 1982). The almost customer effect may therefore be more likely where ongoing encounters with the service provider are not anticipated, such as in the case of one-time purchase situations or where there is high turnover of front-line staff.

Familiarity. Increasing frequency of exposure positively affects our ratings of others, even if we only see them and don’t interact with them (Fehr, 1996). For example, a landmark study by Zajonc (1968) showed that, the more we are exposed to people, the greater our attraction to them, even if our exposure to them is only by means of a photograph. Again, companies which experience high staff turnover in customer-facing positions may be at higher risk of creating almost customers.

Familiarity has also been shown to greatly reduce the negative affect resulting from negative feedback. Snapp and Leary (2001) showed that when new acquaintances take several minutes to “get to know” one another, subsequent negative

feedback is much more positively received than in instances where there is no prior attempt at becoming acquainted. This finding also underlines the importance of personal interaction between employees and customers. An opportunity for acquaintance before delivering bad news regarding a stockout may mitigate the customer's disappointment and encourage the customer to return.

Dependency. A final situational factor contributing to relationship formation is the dependency of relationship partners on each other for rewards. Fehr (1996) reports that we tend to like individuals who have the power to reward (or even punish) us more than those without such power. Retailers who do not empower front line staff to use their own judgment in dealing with customers may therefore be at risk of losing prospective customers.

Dyadic factors

Perceived liking. It is not surprising that we tend to like those whom we believe like us, and this has been demonstrated in social psychology research (Backman and Secord, 1959). What is perhaps more surprising, however, is that if we expect to be liked by another person, there is a tendency to behave in ways that confirm this expectation. In a study by Curtis and Miller (1986), participants who believed that the partner with whom they were interacting liked them showed fewer distancing behaviours, were more pleasant, and intimate in their self-disclosure. Businesses that are not careful to provide personalized, friendly service may therefore encounter less friendly customers, thereby increasing the likelihood of the prospective customer walking away.

Self-disclosure. According to Altman and Taylor (1973), when we first meet someone, we begin our interactions by disclosing information on a superficial level. If we find the interaction enjoyable, we will continue to increase the intimacy and breadth of our disclosures as long as the exchange and disclosures have a positive outcome. If the interaction becomes unpleasant, we may retreat to our earlier and more superficial mode of interaction.

This model predicts that we will be attracted to people who reveal more personal information about themselves (Fehr, 1996). This finding illustrates the importance of hiring open and engaging customer-facing staff. Researchers do caution, however, that there are limits to this effect. Studies have shown that in instances when someone we have just met discloses highly personal information to us we feel uncomfortable and an opposite effect results (Archer and Berg, 1978; Cosby, 1972; Rubin, 1975). Our discomfort

results in our disliking the disclosure and we may recoil from any further interaction. For the effect to bring people closer together, the exchange must gradually move from a superficial to an intimate level as the relationship progresses (Duck, 1991). Again, the implication for business is that the social skills of customer-facing employees are critical for the customer-firm relationship.

Relationship moves. Just as self-disclosure must proceed in incremental steps, so too must all other interchanges in the relationship (Rodin, 1982). Consider a situation where you spend days planning a meal at your home for a new acquaintance. When asked to come, he or she may refuse the invitation or may come but not reciprocate the invitation. You have made a significant relationship move (i.e. the elaborate dinner), but the acquaintance has not reciprocated with a move of equal size or value. Consider also the example where you invite an acquaintance for a quick coffee and he or she reciprocates by sending you an expensive gift. In this instance, the move by the acquaintance is correspondingly much larger. In the above instances your decision will likely be to discontinue the relationship because of the discrepancies in the mutual "moves".

Cognitive process

While much of the preceding discussion describes what affects the formation of dyadic relationships, Rodin (1982) presents a rare cognitive process model for how we choose our friends. And, while this model has never been corroborated by empirical research (Fehr, 1996), it does have considerable intuitive appeal.

Rodin suggests that interpersonal attraction is based on a simplification process whereby individuals act to make exclusion judgments regarding the set of relationship eligibles before making any assessment of whether or not a particular individual has likeable qualities. In other words, we first decide whom we do not want as a friend before deciding whom we do want. The selection regarding whom we want as a friend is made from the set of eligibles remaining after our exclusion judgments are made.

According to Rodin (1982), individuals who meet some preconceived dislike criteria are quickly eliminated from our set of eligibles. We then further reduce the set of eligibles by eliminating those who seem unsuitable or unlikely candidates for acquaintance or friendship. We may disregard people because of their age, the way they dress, physical attractiveness, socioeconomic background, education, etc. According to Rodin, these disregard criteria provide us with the basis for a "best guess" so that our energy and attention are not expended wastefully on people we are unlikely

to like. We do not dislike people we disregard. We just simply doubt that a relationship will work out.

Perhaps Rodin's most important observation is that individuals make these exclusion judgments quickly, in the earliest stages of acquaintanceship, long before there has been a chance for a relationship to develop. In applying this observation to the explanation of the almost customer phenomenon, we note that if some aspect of the firm's value proposition meets the customer's dislike or disregard criteria prior to the completion of the transaction, then the almost customer event is likely to occur. Consider a situation where a male salesperson makes a sexist statement to a prospective female customer. In this case the salesperson may immediately meet the individual's dislike criteria and the prospective customer may quickly become an almost customer. The dislike judgment may also occur earlier on in the firm's interaction with the individual. Consider a situation where the firm's advertising contains what is judged by the prospective customer to be offensive graphics or even spelling errors. Or, consider instances where the prospective customer may judge the parking lot or storefront to be in a state of disrepair. In such cases, the prospective customer becomes an almost customer without the firm even knowing. The object of the almost customer's dislike in this instance is not an individual, but rather some inanimate aspect of the value proposition.

Rodin's model also appears to confirm observations from unpublished research completed by the authors (Breen and King, 2002). While it may take many weeks or months to decide one truly likes a service provider and decide that one wants to pursue a relationship, it seemingly takes only a split second to make a decision that one dislikes a firm, brand, or salesperson.

Reactions to dissatisfaction

A final insight into the almost customer phenomenon has been gleaned from research on close personal relationships. While close relationships are not directly analogous to the almost customer concept, the research described below may provide insight into consumer reactions to poor service delivery. Rusbult (1987) was able to characterize partner responses to relationship dissatisfaction into four categories:

- (1) exit – leaving the relationship;
- (2) voice – expressing dissatisfaction vocally;
- (3) neglect – ignoring the issue;
- (4) loyalty – emphasizing the positive.

Rusbult found that exit responses are typical of couples with low relationship satisfaction, low relationship investment and attractive alternatives. The voice response was found in relationships

where partners were dissatisfied, had a high degree of relationship investment and attractive alternatives. Neglect and loyalty were found to occur when there were few relationship alternatives; neglect occurs when satisfaction and investment are low. Loyalty occurs when satisfaction and investment are high. Application of this model to the almost customer phenomenon provides us with accurate predictions of consumer response.

Research methodology

To gain detailed insight into the perspective of the almost customer, the authors conducted two-hour personal interviews with 25 participants, selected to ensure representation from various age and lifestyle cohorts. Participants were promised a copy of the research results and were treated to a lunch or snack for their participation. All interviews and analysis were conducted by the authors to ensure that they had a complete understanding of the issues.

Prior to the interviews, a discussion guide was developed to ensure that two critical and interrelated pieces of information were addressed: a first-person description of the participants' almost customer experiences; and the implications of the experiences on their relationship with the offending firms. Stories outlining the origin and evolution of various almost customer experiences, including the factors leading up to the experiences, the specific causes, and consequences were elicited. The typology of causes and effects provided below has been developed from the interviews with these almost customers.

Typology of causes

The almost customer phenomenon has many possible causes. The root causes are identified and analyzed in the sections that follow and summarized in Table I.

Human resource management

When customer-facing employees of the firm are characterized as argumentative, rude, pushy, uncaring, unknowledgeable, indifferent, dishonest or aloof by prospective customers, poor hiring practices and training may be at the root of the issue. As Duck (1991) points out, the skills and interplay of the relationship partners are the most important predictors of relationship success. If one or both of the partners are not well versed in the skills of "relationshiping", first encounters are

Table I Almost customer: typology of causes

Root cause	Issues
Human resource management	Poor employee selection
	Poor training
	Poor management or incentive systems
Policies, processes and technology	Poorly designed or implemented technology
	Complex procedures
	Stupid rules
Market maturity	Failure to address value from the customer perspective
	Choices available in marketplace
Customer characteristics	Personality factors/individual traits
	Mood
Type of purchase	Level of involvement and expectations
Servicescape	Lack of cleanliness
	Disrepair
Consumer lifecycle	Milestone purchases

doomed to go badly, bringing any potential relationship to an abrupt end.

In some cases, the root cause of staff behaviour may be sales-based incentive systems or pressure from management to push certain products. When such incentives and direction are poorly conceived or not tempered with advice and training on appropriate treatment of the customer, salespeople may be overly aggressive, turning prospective customers away.

Policies, processes and technology

Often, the almost customer experience is not the fault of the front-line salesperson, but instead is the outcome of policies, processes and technology which are designed with little consideration for customer needs and expectations, or which are poorly implemented.

Consider one almost customer situation where a company hassled a possible new customer regarding the return of a Christmas gift because she did not have the bill, even though the item had been a Christmas gift from a friend. In this instance, the company turned the opportunity for obtaining a new customer into a negative experience and an almost customer event – all because of a rigid policy.

Sometimes, procedures require customers to fill out long and complex application forms or provide detailed personal information before a sale can be completed. Consider the electronics store that does not allow a customer to purchase even a single battery without providing personal data. Also, consider Web-based businesses that will not provide product information unless one first “registers” by responding to an extensive questionnaire. Customers interviewed provided several such examples where such procedures are

clearly designed to help the company obtain marketing data, rather than to assist customers.

Technology such as interactive voice response (IVR) telephone systems and Internet Web sites may also serve to frustrate the almost customer. Consider the IVR system that places the prospective customer in an infinite loop with no option to speak to an operator. Consider also the Internet site that permits a Canadian customer to complete multiple steps leading up to the completion of the purchase. Then, only after the customer has invested considerable time in completing the form, does the customer discover that the site will not accept a Canadian postal code for the shipping address. In these examples, technology has been designed with efficiency or some other company-focused purpose in mind, but it is obvious that little thought has been given to the customer perspective.

In other examples, technology has been implemented correctly, but supporting processes are not. Consider the cases of almost customers who sent e-mails or left voice mails requesting product information, but received no response. In these instances, companies may be guilty of understaffing or may not have provided sufficient training or emphasis on the importance of responding to customers.

Market (im)maturity

Market maturity refers to the level of development of a given competitive marketplace (Barnes and Kelloway, 1980). A mature market is characterized by a relatively large number of competing firms, which offer consumers greater choice, while immature markets have relatively few competitors, the most extreme case being monopoly situations like most markets for electrical power or local phone service.

While this appears to be a construct based in economics, market maturity has implications for the almost customer phenomenon as well. In this study, conducted in a relatively small and immature market, the almost customer phenomenon was not as prevalent as had been expected. The rationale for this outcome is that market immaturity strips the consumer of choice. Because there are few alternatives, the consumer begrudgingly proceeds with his or her purchase and is forced to return to the firm in the future. When the cycle of poor treatment is repeated, the customer’s dislike for the firm is only strengthened. Many of the consumers in this study were, perhaps, almost customers in mind, but not in action. They were almost certainly reluctant customers.

Conversely, in a mature market, we would expect that consumers would not be as willing to

endure unfair treatment and would simply take their business elsewhere. In a mature market, treatment of the customer would therefore be a more critical factor in the success of the firm. Customers and money would migrate to those companies with the best overall value proposition. Those factors which create the almost customer phenomenon are most certainly a critical component of this value proposition.

Customer characteristics/individual differences

Customers have a widely varying tolerance for poor service. During this study, we spoke with many customers who were incredibly tolerant of rude staff, long waiting lines, and processes that do not make sense. In some cases, these consumers were willing to endure poor service – and perhaps even expected to receive poor service – in order to get a “deal”. These shoppers tended to be very price motivated and generally had very low expectations for the service encounter.

A customer’s tolerance for poor service will depend not only on personality traits, but on a combination of factors including time pressures and mood at the time of the encounter, shopper sophistication, available options, and the customer’s pre-existing relationship with the firm, product, or brand. The authors noted that time pressures, in particular, were a common cause of the almost customer effect when the consumers were middle-aged parents of young children. Waiting lines in hardware stores and supermarkets were especially intolerable when “[the spouse] and the kids were waiting in the car”. In these instances, the consumers simply dropped their intended purchases and/or left their shopping carts and headed for the exit.

A customer’s pre-existing mood when he or she walks or clicks into a new service encounter is outside the firm’s control. However, service personnel with positive attitudes, a customer focus and excellent relationship skills will often be able to change a customer’s initial mood for the better. Conversely, unhappy sales staff, frustrating waiting lines, poorly designed Web sites, and store policies that make no sense to customers will only serve to worsen their mood, making the potential for an almost customer result even more likely.

With respect to a customer’s “sophistication”, a consumer who travels a lot and shops in many different cities will have been exposed to a broad spectrum of service experiences. As well, some shop around and educate themselves on product and service alternatives before making a purchase decision. Such sophisticated shoppers may have more clearly defined and higher expectations for a given service encounter and are, therefore, more

likely to walk away from a transaction in favour of another alternative.

When the almost customer phenomenon occurs, relationships with the firm, product, and or brand will normally be weak. Consistent with Rusbult’s (1987) discussion on reactions to dissatisfaction, when the customer has low relationship satisfaction, little invested in the relationship, and attractive alternatives, an exit strategy and the almost customer outcome will be common. In the situations described above, some aspect of the firm’s value proposition is likely meeting the customer’s dislike or disregard criteria. As predicted by Rodin (1982), an abrupt end to the relationship is the result.

Type of purchase: level of involvement and expectations

As Johnston’s (1995) zone of tolerance model would predict, the consumer’s emotional involvement in the purchase will have a profound effect on the potential for an almost customer experience. From the interviews conducted, it is clear that the almost customer effect is more likely when the customer is making an expensive or emotion-laden purchase such as when shopping for an engagement ring or a first mortgage. In these situations, the customer has a high level of emotional involvement and a narrow zone of tolerance for service failure. We have observed that a service failure under such circumstances will result in strong negative affect and the creation of an almost customer who may also be a vocal terrorist of the firm.

Expectations play a role in the creation of an almost customer. As explained by Barnes (2001a), when shopping at a high-end boutique or other store or Web site that has a reputation for excellent service, consumers have raised expectations for the service experience. In such instances, if the service is anything less than what was expected, the customer will be disappointed and may go elsewhere. Stores with a reputation for good service are held to a higher standard by consumers. Providing service which is merely average may result in an almost customer outcome.

The amount of preplanning that a customer does prior to a purchase also has implications for the creation of an almost customer. Consider an example where a couple had carefully considered the selection of a gas fireplace for a new home, only to encounter a salesperson who suggested they make an appointment to see him another day. The reason for the couple abruptly taking their business elsewhere may be explained by Rodin’s (1982) concept of relationship moves. In this example, the almost customers had invested significant effort in the relationship through the pre-selection process,

but the salesperson had reciprocated with a discrepant move by putting them off for another day. It was the discrepancies between these relationship moves that created the negative affect and loss of business.

Finally, there are mitigating factors which will tend to prevent the almost customer experience, namely the customer's relationship with the product or the brand being purchased, as well as the customer's desire for the product. Customers who have a strong desire for the item or service they are attempting to purchase are far more likely to endure poor service than are customers who are less committed. Consumer desire for a product or service may be driven by established brand relationships or by high price sensitivity and the related desire for a "good deal".

Servicescape issues

Almost customer responses also resulted where the customers judged retail facilities to be in a poor state of repair or where the store décor was thought to be unappealing. "Cheap looking" was a typical complaint regarding the décor from almost customers visiting discount clothing stores. In these examples, the customers' dislike of the store's appearance far overshadowed their desire to obtain a good bargain. For these examples, Rodin's (1982) model for selecting relationship partners may again be applied to explain what is occurring in the minds of these almost customers. In Rodin's view, lack of cleanliness, poor state of repair and a cheap décor are dislike criteria for these customers. When dislike criteria are observed, the prospective customer makes a quick judgment regarding the unacceptability of the firm and goes elsewhere.

Accessibility of product was another issue uncovered during the interviews. Almost customers encountered situations where merchandise was locked away, chained to racks, or located high on storage shelves. In the absence of attentive salespeople to provide them with immediate assistance, customers deemed the purchase situation to be not worth the effort and decided to discontinue their attempts to buy.

Consumer lifecycle

It is also observed that almost customer events will be most likely to occur at significant milestones in consumers' lives because these tend to be times when they are evaluating certain products and services for the first time or the purchases are emotionally charged.

Consider the purchase of a first home, which will result in the customers shopping for a mortgage for the first time in their lives. In this example, customers find themselves evaluating banks and mortgage lenders that they have never

encountered in the past. They are also about to make what is likely to be the largest purchase in their lives, a fact that most certainly heightens anxiety and the potential for a negative service experience.

Other examples provided by interview subjects include the search for an engagement ring, the purchase of the first new car, the search for baby clothes for the "new addition", and even the search for the first pair of glasses as eyesight fails later in life. All these milestone purchases resulted in almost customer experiences.

Typology of effects

Similar to our categorization of causes above, consumers' responses to an almost customer event can also be categorized, allowing for a more detailed examination. The following represents a typology of outcomes gleaned from the almost customer stories provided by interview subjects (see Table II).

Propensity to complain

The most common response to an almost customer event is to exit the firm in silence. Consumers simply leave frustrated, never voicing their dissatisfaction to store personnel, management or head office. As a result, the firm may never know that the event has occurred. The reasons for such a passive outcome may be explained in the context of Rusbult's (1987) examination of responses to dissatisfaction. Many almost customer experiences are characterized by situations where the customer has little invested in the relationship. In fact, the customer may have never interacted with the firm before and, therefore, has no relationship with the firm. Where there is low relationship satisfaction and where the individual judges alternatives to be good, a quiet exit from the relationship is exactly what Rusbult would predict. A vocal response is judged to be not worth the effort.

Where consumers have a well-established relationship with the brand or product, a strong desire to obtain the product or service, have invested a great deal in their purchase decision, or have especially high expectations for the service encounter, more active responses to the almost customer experience are the norm. Service failures under these circumstances will tend to elicit a greater negative affect and, thus, consumers in these instances will tend to voice their concerns more openly, complaining to staff, management or third parties. The complaints may be immediate and directly to the sales staff involved, or may be delayed and more carefully planned, such as in the

Table II Almost consumer events and consumer responses

Characteristics of event	Emotional response	Response
Low involvement Little or no relationship with firm, product, and/or brand Alternatives available	Low affect	Quiet exit
A well-established relationship with the brand or product, and/or A high desire to obtain the product or service, and/or High level of investment in the purchase decision, and/or Especially high expectations for the service encounter	Moderate affect	Complain to: Service staff Management Third parties
As above	High affect	Vocal complainer Spreads negative word of mouth Terrorist of the firm

form of a “poison pen” letter to area managers, head office, or consumer advocacy groups. This more vocal, active response in the face of high relationship investment is, again, consistent with Rusbult’s model.

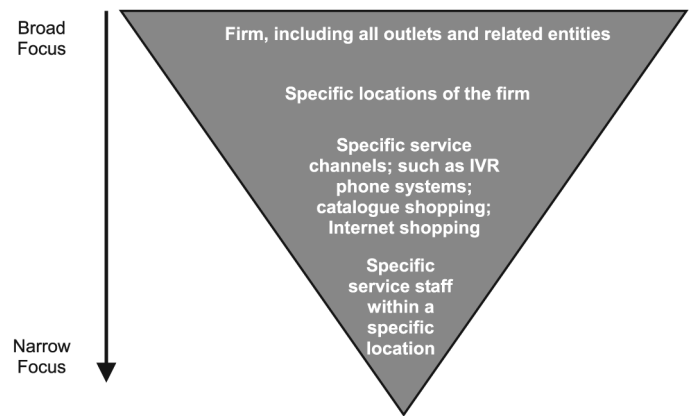
An extension of the above response may be that consumers spread details of their encounter to friends and acquaintances by word of mouth. These almost customers may advise those that they inform of their experience to exercise caution in dealing with the offending firm or, worse, recommend that these prospective customers take their business elsewhere.

Finally, when the factors which elicit an active response are present and the negative affect resulting from the encounter is especially strong, we have found that an almost customer experience can produce a vocal and committed terrorist of the firm. Such individuals will tell everyone in earshot of their negative service experience and will strongly advise that they take their business elsewhere. While such an outcome may seem unlikely, we offer as proof the fact that we had no difficulty finding such individuals. In earlier research (Breen and King, 2002), we found two almost customers turned terrorists of a local, high-end jewellery store. Their vocal dislike of the store was intense and the effect of their dissatisfaction was substantial. The lost earnings resulting from their negative word of mouth were estimated to be in excess of \$75,000.

The object of their defection

Almost customer effects may also be characterized in the context of objects of the customer’s negative emotion (see Figure 2). Negative affect and the customer boycott may be directed at the firm as a whole. In this scenario, the customer boycotts all locations and related entities of the firm, including those in other locations. There is a complete and total boycott of the firm. This outcome was observed even when the root cause of the event was, perhaps, not the direct fault of the firm (e.g. a

Figure 2 Almost customer: objects of their defection



service person’s rude behaviour). A total boycott was also observed when the different locations were independently-run franchises. Almost customers may give little thought to the true root cause of the service failure (i.e. the true object of their disappointment or anger) when making decisions to boycott a firm in its entirety.

Beyond this somewhat obvious and predictable reaction, this research also uncovered much more directed negative emotion and associated boycotts. Rather than avoid the firm in its entirety, some almost customers boycott a specific location of a firm, such as in a situation where they were angered or disappointed by a particular store or franchise location.

Alternatively, when specific outlets or sales persons produced the negative affect, customers were found to avoid these particular people. Customers would boycott Web sites, but would still frequent company stores – or the converse would be true. Customers may also boycott IVR phone systems by opting for an operator or, where an operator option was not available, may even make the trek to the store site to request the desired information.

When sales staff were the object of their anger, the authors found that customers may actually endure great inconvenience by avoiding the firm at times when the sales person is working. They may make several trips before they find a time when the salesperson is off duty, and will shop at inconvenient hours to avoid further confrontation.

Likelihood of return

This research has revealed that there are different degrees of the almost customer problem. Some prospective customers abort just one transaction, but return to try again at a later date, while others decide to boycott the firm forever. We label those that return transactional almost customers. Individuals who decide never to return following a bad first impression are labeled permanent almost customers. Some customers may have several transactional almost customer experiences before deciding to become a permanent almost customer. Our almost customer definition actually describes a continuum of consumer reactions to poor initial service, rather than one discrete outcome.

Intuitively, the transactional almost customer event should be far more common than the permanent almost customer event and this was corroborated in this study. Consumers provided countless examples where they have walked away from their shopping carts, hung up the phone or left Internet Web sites because of long delays, inattentive staff, and confusing instructions. More often than not, however, they do not hold a lasting grudge and they come back to try again later. This is not to say that there is no net loss to the firm. In the interim, they may have purchased their desired products or services elsewhere. Repeated bad experiences also have the effect of eroding the consumer's opinion of the firm, reducing satisfaction, and eliminating the possibility of a close relationship.

Toward an integrated model

The differences in the intensity of negative feelings amongst the stories provided by permanent and transactional almost customers are striking. While the transactional almost customers found their experiences irksome, the permanent almost customers had developed a profound dislike for the store, salesperson, or sales channel involved. It would appear that the intensity of the negative affect elicited by the experience is the major determining factor in the consumer's decision to return or not.

The question of what produced this negative affect is not straightforward. There are certainly strong individual factors contributing to the

negative reactions, including personality traits and mood at the time of the encounter. Other factors contributing to the customer's perceptions of the experience constitute a summary of the topics discussed in this paper:

- policy and processes;
- store environment;
- environmental factors – familiarity, frequency of interaction;
- dyadic factors – interpersonal attraction, appearance of staff;
- customer's relationship with the brand or product;
- customer desire to obtain the product or service;
- level of investment in the purchase decision;
- consumers' knowledge of options;
- market maturity; and
- consumers' expectations for the service encounter.

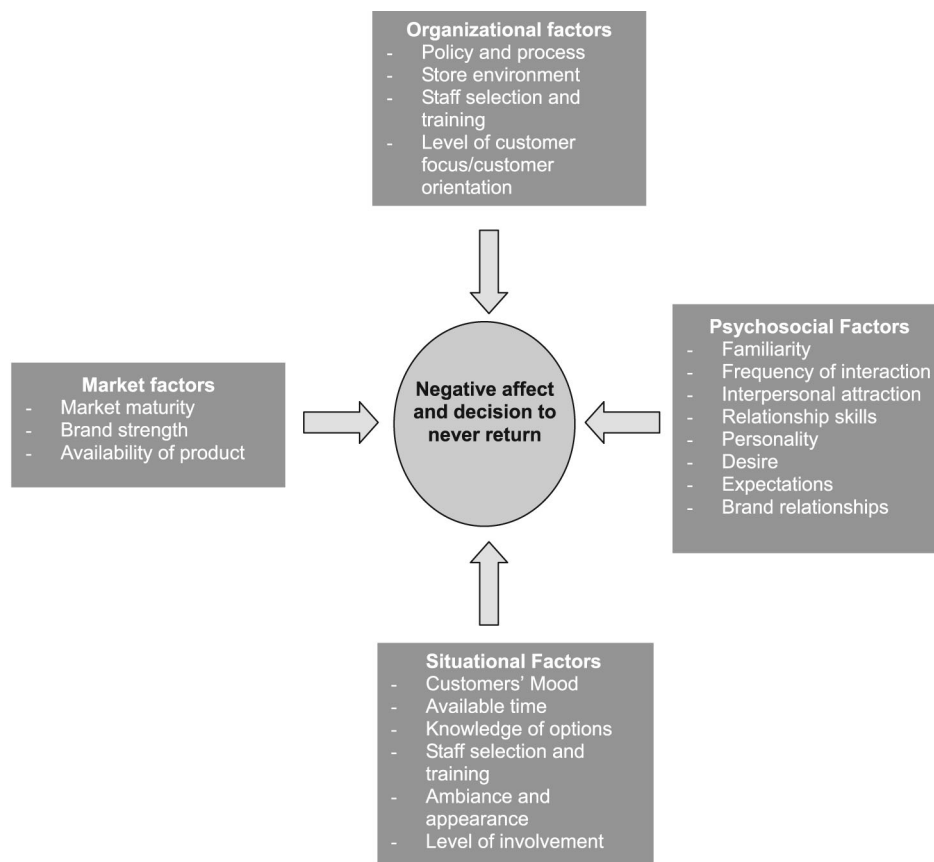
The object of the consumer's dislike will also play a part in the decision not to return. For example, when the almost customer experience involves a dislike of the store ambiance, the consumer may return at a later date. However, when the negative experience involves a heated exchange with a salesperson, the prospective customer may never return because of embarrassment or a desire to avoid further confrontation. Figure 3 provides a foundation for a model of the almost customer experience.

Implications for business

The success of service firms depends on their ability to deliver consistent, satisfying experiences to their customers. But "churn" happens, and having a process for effectively recovering lost customers (and almost customers) is vital to every company's long-term success (Griffin, 1999). Customer retention is a critical means of improving a firm's bottom line. The same can be said for converting or preventing almost customers. Management must take steps to become aware of critical service failures and try to minimize the number of occurrences that will chase prospective customers away. Turning prospective customers into actual customers is the goal.

The future stream of revenues lost from an almost customer experience is difficult to measure and few companies actually try to calculate the cost. However, the financial impact of almost customer defections points to the need for more information. Firms need to understand which prospective customers are terminating their

Figure 3 Four-forces model of the almost customer effect



attempted transactions and why. Only then can they take the necessary steps to put a stop to the erosion in their pool of possible future customers. Only when the company is aware that a prospective customer is at risk of abandoning the effort can they take steps to recover from whatever caused the dissatisfaction.

Without question, the best way to win the almost customer is to ensure the individual is satisfied in the first place and does not abort the attempt to buy. As this individual completes his or her first transaction and enters the world of the customer, relationships with the company can begin. When these relationships continue, profitability increases.

Some managers may argue that service recovery in an almost customer event is impossible because the service transaction was not completed and the data necessary for service recovery were, therefore, not obtained. We disagree and argue that a firm can often manage these almost customers and have access to the information necessary for recovery. In many cases, almost customers are in fact not anonymous customers. There is often some information left that the firm can use to better understand the person. Appointments are scheduled, introductions made, greetings

exchanged. A conversation has taken place between customer and employee. Preferences are identified. Phone numbers are recorded. This information can serve as a starting point to help overcome the barrier of anonymity.

The potential for an almost customer experience highlights the need for firms to get the interpersonal and emotive aspects of service delivery right every time. To accomplish this goal, they must provide personnel with effective policies, processes and support systems for service and service recovery. Firms must also implement an effective HR strategy, one that ensures that they have people with the right attitudes, training, and incentives in customer-facing roles. But to prevent negative service experiences, firms must also deliver on the core or functional aspects of the service offering. The firm must ensure that the core product, processes, and technical performance are consistent with the expectations of customers.

In addition, firms must consider the importance of expectations in their design and implementation of customer retention strategy. For companies operating in a market where prospective customers are likely to be highly involved and emotionally engaged in the service transaction, the customer's

zone of tolerance is extremely narrow and the potential for failure or delight is therefore high. Furthermore, if the company positions itself in the market as providing top service, the customer's expectations are also very high. In such circumstances, the potential for service failure and dissatisfaction is much higher than the potential for exceeding expectations. As such, the potential for almost customer experiences is also high. Therefore, every aspect of service delivery must be flawless, from the core product to the emotional elements.

Finally, small companies that operate in a small or niche market cannot afford to make service delivery errors like the ones described in this paper. In a small town, negative word of mouth spreads like a crack in a windshield. The effects of "terrorist" activities could potentially result in the end of the business.

Implications for future research

There is a need to apply the research conducted by social psychologists studying relationship formation to the consumer-firm context. Marketers need to study the effect of environmental, situational, and individual factors documented in the human relationship literature as it relates to the almost customer phenomenon so that we can better understand and prevent its occurrence. Also, research into consumer decision processes and, in particular, the application of Rodin's model to the consumer-firm interaction, may provide valuable insight into why the almost customer phenomenon occurs.

Related to the above, there is a need to better understand the combination of factors and cognitive processes that lead to the creation of the almost customer. While the almost customer appears to be characterized by a high level of negative affect, the cause of this negative emotion is not completely understood. While the authors often fully understood the consumer's rationale for promising never to return to a particular firm, there were some instances in which subjects identified seemingly innocuous events which provoked very negative responses and a decision to never come back that was not clearly understood and often appeared to be an extreme reaction to a seemingly harmless infraction.

This field of study requires a more complete model of the almost customer effect which identifies the relative weight or importance of the various factors that lead to the almost customer occurrence. The model presented above is only partially developed and based on qualitative

research. There is an opportunity for quantitative research.

As Barnes (2001b) points out, few firms have invested the time and money needed to research how their actions turn away prospective customers before they have a chance to become customers. Yet, depth interviews, focus groups, and conversations with consumers will reveal numerous instances of customers trying to become customers only to be thwarted by the actions of the businesses with which they want to deal. This under-addressed issue calls for research on the effectiveness of customer-facing processes in retail settings, but also in situations where the interaction involves technology, such as IVR systems or Web sites.

Like Reichheld and Sasser's (1990) work on customer defections, there is a need to evaluate and quantify the value of the almost customer across various industries. The primary difficulty in conducting this research will be determining who the almost customers are. However, while companies may not be able to identify their almost customers, researchers may have more success with identification through careful observation and by conducting exit interviews. Abandoned shopping carts should also be tracked and tallied; as they are by many virtual retailers. Reichheld and Sasser were able to determine that boosting retention by 5 per cent would boost profits by 100 per cent. A similar research methodology would allow researchers to arrive at a similar statistic for the almost customer phenomenon.

More research is also needed into the psychosocial mechanism through which negative customer attitudes and opinions are formed. While it is generally accepted that it takes a long time to build a genuine, positive relationship, it would appear that it only takes a short time to create a strong, negative one. However, the authors could not locate research addressing this issue in the customer relationship and social psychology literature.

Similar to the concept of the "rebound relationship" in interpersonal relationships, the results of this research also reveal the potential for a similar relationship to exist in the customer-firm situation. Some interview participants moved quickly from a failed fledgling relationship with a firm to a loyal relationship with a competitor.

Finally, it appears that the absence of a customer relationship may be a barrier to complaining. In many cases, almost customers did not complain to the firm about their treatment, but it is difficult to believe that an established customer would not complain. While we do propose some possible explanations for the customer's propensity to complain, this area requires

additional study to arrive at a more complete understanding. A better understanding of this situation ultimately leading to encouraging complaints will at least give the firm an opportunity to implement service recovery and take the steps necessary to minimize the likelihood of almost customer occurrences. In addition, this phenomenon requires more study because, as the almost customer turned terrorist complains “quietly” to others, there is no opportunity for the company to manage its reaction or to recover from the poor service. This makes the almost customer turned terrorist extremely dangerous and damaging to the firm.

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