The Horn Effect in Relationship Marketing: A Systematic Literature Review

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Abstract:

With the scientific focus on the management of business-to-customer relationships, relationship marketing has become an important part of today's economic research and practice. As the nature of the discipline is considered interdisciplinary, it is assumed that the transfer of psychology's horn effect provides new insights and implications for the marketing perspective. In order to analyze the development and current state of research on the horn effect in relationship marketing, a systematic literature review was conducted. Based on the elicited results, it is assumed that the effect currently plays only a minor part in the field of marketing research. Thus, publications regarding the effect exist, but references appear to be rather peripheral research issues. With specific regard to the discipline of relationship marketing, the effect can be considered underrepresented. Consequently, future research should investigate the horn effect from a relationship marketing perspective.

Keywords: Relationship Marketing, Systematic Literature Review, Horn Effect

Track: Relationship Marketing

1. Introduction

Focusing on the management of business-to-customer relationships (Grönroos, 2017), relationship marketing has become a considerable complement to the traditional marketing approach that is important in today's economic research and practice (Finch, O'Reilly, Hillenbrand, & Abeza, 2015; Grönroos, 2017). Although the discipline is well established, scientific research is still reliant on well-grounded theoretical concepts in order to remain credible and dynamic (Yadav, 2010). Thus, there is an ongoing demand for the development of innovative conceptual studies that contribute to the substantiation of relationship marketing's theoretical foundation (Gummesson, 2017).

As the nature of relationship marketing is considered interdisciplinary (Finch et al., 2015), the discipline has benefited from diverse knowledge bases since its very beginning. This particularly applies to the fields of psychology and sociology (Finch et al., 2015). Therefore, it is assumed that a transfer of psychology's horn effect provides new insights and implications for the relationship marketing perspective.

For the purpose of providing a state-of-the-art of recent research on the horn effect in relationship marketing and for deriving suggestions for future research concerning this matter, this article is organized as follows. In the next section, the theoretical background with regard to the core effect is explained. Afterwards, methodology and findings of the systematic literature review are presented. A synopsis of the elicited results in respect of implications and limitations concludes the paper.

2. Theoretical Background

In the beginning of the 20th century Thorndike (1920) denoted an individual's disposition to transfer an overall evaluation of a judged target to specific characteristics of that target and vice versa—a judgmental error—as 'halo effect'. Since then, many studies across various fields of knowledge have been conducted to analyze this cognitive bias (Burton, Cook, Howlett, & Newman, 2015; Jang, Lee, & Hu, 2016). Thereby, the term is rather connoted as solely positive, covering the subject or object of judgement in a seraphic aura.

The halo effect's negatively connoted complement is called 'horn effect'—hinting at an infernal token (Jang et al., 2016). Within the course of this paper, it is defined as strictly negative overall appraisal of a judged target based on the target's characteristic(s); whereby the target's characteristic(s) are conceived to not only function as a reaction to but also as stimuli of judgement. Unlike its positive equivalent, the horn effect has experienced rather

little attention in academic research (Sundar, Kardes, Noseworthy, & Clarkson, 2014). This appears to be surprising, because in view of a wide range of psychological phenomena bad concepts seem to prevail over good, resulting in more sustainable impacts of bad incidents in comparison to the effect of good ones. Thereby, human beings tend to react more deeply to bad events. Likewise, relationships are more affected by bad happenings, and bad emotions can result in more intensive cognitive processing as well as stronger behavior (Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001). As the horn effect acts as cognitive tool for generalization, it is considered to resemble the concept of stereotypes. Thus, once established the core effect is reversible only with great difficulty, or not at all (Baumeister et al., 2001).

Transferring this to the relationship marketing perspective, customers can be perceived as the judging individuals, and companies (or products, brands) function as targets of the negative appraisal. Thereby, two aspects have to be factored in. On the one hand, the bias's occurrence is not strictly bound to objective correctness and frequently results from limited information (Burton et al., 2015). On the other hand, it reflects the social concepts of the judging individual. The distinction between halos and horns throughout existing research is neither entirely nor easily definable and, therefore, rather difficult to discern. Thus, a thorough examination of the issue is necessary.

3. Systematic Literature Review

3.1 Methodology

In order to analyze the development and current state of research on the horn effect in relationship marketing, a systematic literature review (SLR) has been conducted. As SLRs function as key tools to organize and examine knowledge on a structured basis for academic purposes (Tranfield, Denyer, & Smart, 2003), they play a crucial role in the establishment and progression of research disciplines (Danese, Manfè, & Romano, 2018; Hallinger, 2013). Thus, by identifying and mapping milestones as well as gaps of existing research according to a specific inquiry, SLRs contribute to further frame conceptual knowledge bases (Hallinger, 2013; Tranfield et al., 2003).

Contrasted to unstructured reviews, the scientific process of SLRs is transparent and, therefore, replicable (Tranfield et al., 2003). Thus, not only the risk of errors is reduced, but also the quality and outcome of the method are enhanced (Danese et al., 2018; Tranfield et al., 2003). The SLR has been carried out following the procedures suggested by Tranfield et al. (2003) and Danese et al. (2018). Thereby, relevant studies have been identified, selected, and

critically appraised with regard to the research question. The applied process of the SLR is summarized in Figure 1.

Defining the research objectives:
- to offer a state-of-the-art of recent research on the horn effect in relationship marketing
- to provide suggestions for future research on the core topic

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Determining the conceptual boundaries:
- manifold existing synonyms of the core effect (e.g., devil effect, velcro effect, negative/reverse halo (effect), etc.)
- relatedness to the core discipline (general: marketing, specific: relationship marketing)

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Setting the inclusion criteria:
- search medium: Academic Search Complete (via EBSCO Host), all databases
- search items: keyword set based on core effect, linked synonyms as well as core discipline
- search limiters: full text (searchable format), scholarly (peer reviewed) journals
- source type and language: academic journals, English

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Setting the exclusion criteria:
- according to the core effect: reference only referring to author's name, figure of speech, musical/technical instrument, geographic mark or study item
- according to the core discipline:
  - reference to marketing only referring to scenario, study item, example or reference list
  - publication before 1983 (original description of relationship marketing by Berry (1983))
- according to quality threshold:
  - A ranking of < 2 in the Academic Journal Guide 2018 (AJG 2018) and a ranking of < C in the VHB-Jourqual3 (VHB-JQ3)
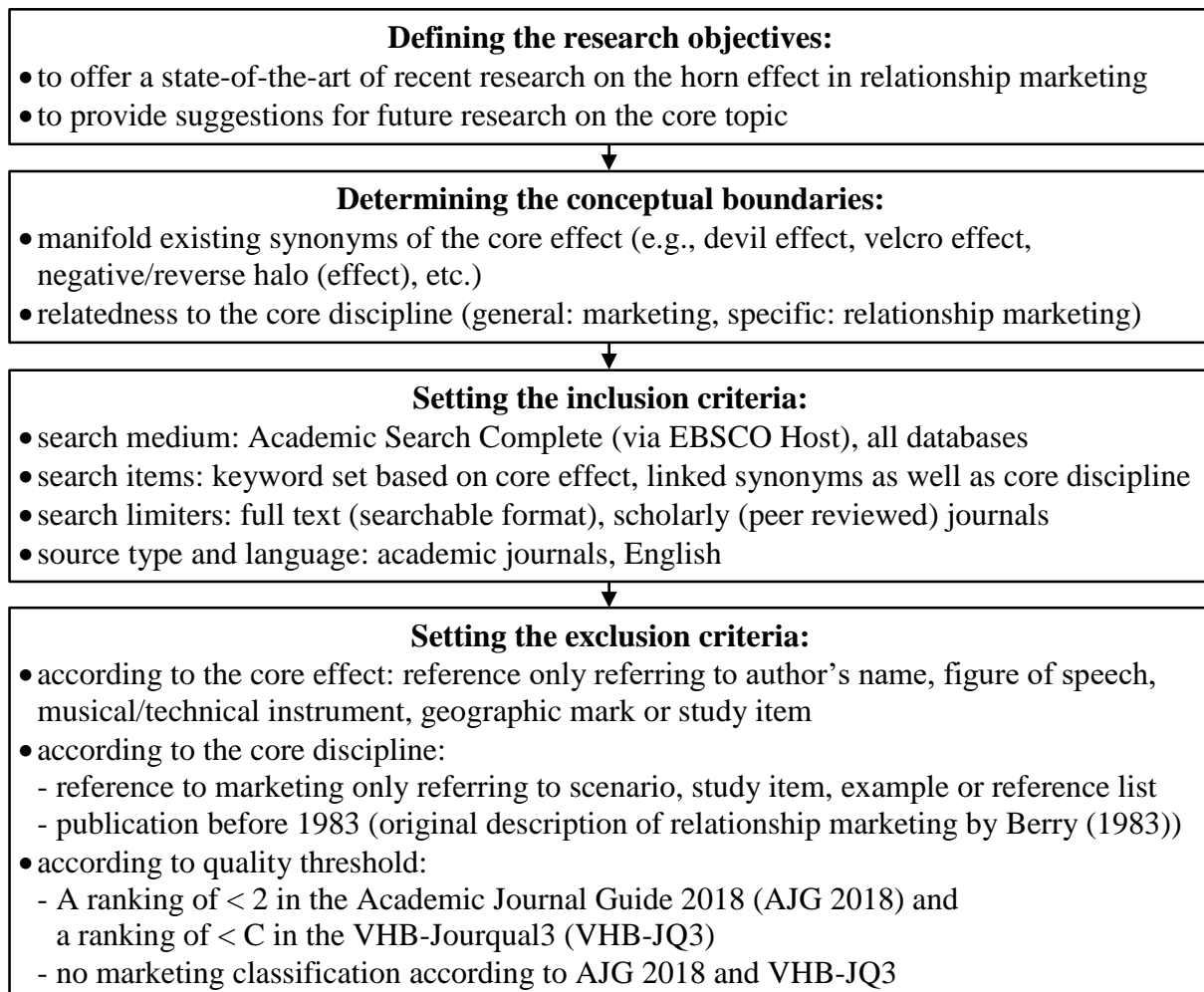 - no marketing classification according to AJG 2018 and VHB-JQ3

Figure 1. Summary of the SLR process

At the beginning of the methodological process the research objective as well as the conceptual boundaries had to be defined. While the former was realized to be closely related to the research question, the latter revealed two focus points terminating the review frame. First, in order to present a reliable synopsis, all known semantic equivalences of the core effect had to be considered. Second, in order to direct the viewing angle to the core discipline, the relatedness of all considered publications to the context of marketing had to be traceable initially and at a later phase. In order to guide the research focus precisely from a more general to a specific level, the relatedness to relationship marketing had to be factored in. Considering both aspects, a set of keywords was developed. Using these as search items, the SLR was conducted on 01 July 2018 with regard to the inclusion and exclusion criteria defined in Figure 1. A detailed overview of the article selection process is presented in Table 1.

Search results according to applied search items (item_focus)					
(All search items per search were linked using the Boolean operator 'AND'.)					
no.	item$_{discipline}$	notation core effect	item$_{effect1}$	item$_{effect2}$	results
1	marketing$_{TX*}$		halo effect$_{TX*}$	horn$_{TX*}$	75
2	marketing$_{TX*}$		halo effect$_{AB*}$	horn$_{TX*}$	3
3	marketing$_{TX*}$	horn effect	horn effect$_{TX*}$		65
4	marketing$_{TX*}$		horn effect$_{AB*}$		3
5	marketing$_{TX*}$		halo and horn effect$_{TX*}$		28
6	marketing$_{TX*}$	devil effect	halo effect$_{TX*}$	devil$_{TX*}$	20
7	marketing$_{TX*}$		halo effect$_{AB*}$	devil$_{TX*}$	0
8	marketing$_{TX*}$	reverse halo effect	reverse halo effect$_{TX*}$		9
9	marketing$_{TX*}$	negative halo effect	negative halo effect$_{TX*}$		55
10	marketing$_{TX*}$	devil effect	devil effect$_{TX*}$		94
11	marketing$_{TX*}$		devil effect$_{AB*}$		0
12	marketing$_{TX*}$		velcro effect$_{TX*}$		7
13	marketing$_{TX*}$	velcro effect	halo effect$_{TX*}$	velcro$_{TX*}$	3
14	marketing$_{TX*}$		halo effect$_{AB*}$	velcro$_{TX*}$	0
* Indicator of specified search field (TX = all text; AB = abstract or author-supplied abstract)					
Total of articles					**362**
Reasons for exclusion					
Duplicates					70
According to the core effect (see Figure 1)					213
According to the core discipline (see Figure 1)					30
No full text					1
No searchable full text					1
According to quality threshold (see Figure 1)					33
Total of excluded articles					**348**
Total of articles included in SLR					**14**

Table 1. Overview of the article selection process

The database search resulted in 362 articles that matched the defined set of keywords in the text and/or abstract. After removing duplicates, remaining articles were checked with conscientious regard to the prespecified criteria. In the end, 14 articles were included in the subsequent analysis. Hereby, publication characteristics such as year of publication, journal ranking, research focus as well as quantity and placing of references to the core effect were collected initially. Afterwards, all relevant articles were subjected to content analysis. At this, references to the core effect were thoroughly examined in view of the context they appeared. Moreover, the sample's linkage with relationship marketing was analyzed. In order to ensure accurate data management, the collected data was recorded in a master file using Microsoft Excel (Danese et al., 2018). Hereinafter, the results of the literature analysis are presented.

3.2. Findings

The final SLR sample consists of 14 articles published between 1983 and 2017. An overview of the compiled characteristics for each publication is shown in Table 2.

no.[1]	year	journal	ranking		focus[2]	reference to core effect		link to RM[3]
			VHB-JQ3	AJG 2018		quantity	placing	
[1_2]	2014	Journal of the Academy of Marketing Science	A	4*	E	135	all over	no
[1_7]	2014	Advances in Consumer Research	C	2	E	10	all over	no
[1_19]	2015	Journal of Marketing	A+	4*	E	1	discussion	no
[1_53]	1998	Psychology & Marketing	B	none	E	1	discussion	no
[1_63]	1999	Advances in Consumer Research	C	2	E	1	results	no
[9_5]	2014	Journal of Consumer Affairs	C	2	E	4	results, discussion	no
[9_8]	2017	Journal of Public Policy & Marketing	B	none	E	1	theory	no
[9_16]	2013	Journal of Marketing Research	A+	4*	E	1	results	no
[9_17]	1987	Journal of Marketing	A+	4*	C	1	discussion	yes
[9_22]	2007	Journal of Marketing Research	A+	4*	E	1	discussion	no
[9_24]	1983	Journal of Marketing	A+	4*	E	1	conclusion	no
[9_32]	1983	Journal of Consumer Research	A+	4*	E	2	results, discussion	no
[9_38]	2008	Journal of Consumer Research	A+	4*	E	1	discussion	no
[10_8]	2008	International Journal of Consumer Studies	D	2	E	1	results	no

[1] Article's identification no. within SLR ([search no._within search no.], see Table 1; see References);
[2] Research focus (C = conceptual, E = empirical); [3] RM = relationship marketing

Table 2. Overview of the final SLR sample

Though the horn effect originated as early as in the 1920s (Thorndike, 1920), it appears to be a content matter even in current marketing research. As shown in Table 2, approximately a third (5) of all reviewed articles had been published before the turn of the millennium, and almost another third (5) has been published in the last five years (during or after 2014). The 14 articles analyzed were published in nine different journals, four of them being ranked as leading or top journals within the field of marketing. As documented, most

studies (13) take an empirical approach, only one is of a conceptual nature. By using the classical Four P's approach (McCarthy, 1960) to systematize the 14 publications topically, the thematical orientation of the sample can be categorized as follows: product (9: [1_2], [1_7], [1_53], [9_5], [9_16], [9_22], [9_32], [9_38], [10_8]), place (0), promotion (4: [1_19], [1_63], [9_8], [9_24]), and price (1: [9_17]). Thus, nearly two thirds (9) of the articles focus on issues associated with product design and branding.

With regard to the core effect, search 9 supplied the most hits (8) for the final SLR sample, followed by search 1 (5 hits) and search 10 (1 hit). Consequently, only three out of five of the effect's synonyms add to the analysis (see Table 1). In this respect, the application of quality threshold criteria (see Figure 1) led to the exclusion of search results referring to the two semantic equivalents 'reverse halo effect' and 'velcro effect'. Interestingly, while in five articles ([9_16], [9_22], [9_24], [9_38], [10_8]) only the core effect is pointed out, the other nine publications also explicitly mention the halo effect and, thereby, emphasize a clear distinction between the positively and negatively connoted counterparts.

Furthermore, it can be stated that in 12 out of 14 full papers, the core effect is referenced no more than four times. Thereof, ten times it is only mentioned once per article, while one time it is referred to twice ([9_32]) or four times ([9_5]), respectively. Thereby, references appear rather late in the texts—primarily in the results or discussion section. Throughout all publications that refer to the core effect only once, the reference appears to be not very detailed, meaning that the effect is indeed mentioned but no further exposition follows. Article [9_32] makes reference to the core effect as a pivotal component of research. Thereby, a significant negative halo effect is verified, indicating a distortion of perception (Holbrook, 1983). In contrast, although publication [9_5] provides numerically more references to the core effect, its role within the discourse is rather peripheral. It is described as a generalization of negative product attributes (Kees, Royne, & Cho, 2014).

Two articles ([1_2], [1_7]) stand out. Thus, the core effect is not only part of title and abstract, but also traceable throughout the entire full text. Thereby, 10 ([1_7]), respectively 135 ([1_2]) references are found. Both publications focus on the product topic, more precisely on consumer choices depending on the labelling of food products. In this regard, both articles state that, contrasted to the positive equivalent, research on the core effect is rather limited and, therefore, deserves wider examination (Burton et al., 2015; Sundar et al., 2014)—especially because negative halos tend to be more weighty than positive ones (Sundar et al., 2014). Thereby, the core effect is mainly characterized as a customer's negative inference towards a product that hinders an objective evaluation process (Burton et al., 2015; Sundar et al., 2014).

In order to examine the relatedness of the final SLR sample to relationship marketing, a keyword search was carried out in all articles to look for the phrase 'relation' as it is assumed to be as closely as possible related to the discipline's research focus. Referring to this, three times ([1_7], [1_53], [9_38]) no hit was scored. In ten articles the keyword was found but only referring to relation(ship)s or (inter)correlations between research constructs. As for the aforementioned 13 articles, no obvious link to relationship marketing can be determined. One publication ([9_17]) reveals a connection to the specific core discipline as its focus is on the management of negotiation relationships. Thus, the relationship between buyer (customer) and seller (business) in view of pricing arrangements is thematized.

4. Conclusion

Based on the implemented analysis, it is assumed that psychology's horn effect currently plays only a minor part in the field of marketing research. Thus, publications regarding the core effect exist but references appear to be peripheral rather than central issues of research. With specific regard to the discipline of relationship marketing, the core effect can be considered underrepresented. This seems rather surprising, because the existence of negative perception biases is assumed to be suitable for providing explanatory value for the management of business-to-customer relationships throughout all phases of implied relations.

Consequently, future research should—conceptually as well as empirically—investigate the core effect from a relationship perspective. Thereby, conceivable research topics are the following: customers' skepticism about quality guarantees, product/brand trustworthiness, reliability of recommendations (recruitment); success of cross selling and repurchase activities, acceptance of switching barriers (retention); acceptance of service or product failure rectification and restitution, reasons for customer defection (recovery); attachment anxiety, customer complaint management, emergence and endurance of negative (e)word-of-mouth and (digital) reputation crises (phase-independent).

Finally, despite all methodological efforts, limitations of the analysis have to be considered. First, only one search medium was used. Second, no additional forward or backward search was conducted. Third, the search item set's completeness cannot be assured. Thus, the literature search may not have captured all articles that address the subject of this review. Furthermore, the applied exclusion criteria, especially according to quality threshold, possibly functioned as too strict limiters. In addition, there is a risk of overinterpretation of elicited results—especially as only one reviewer was involved.

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