Disentangling the Differential Roles of Warmth and Competence 
Judgments in Customer–Service Provider Relationships

EXECUTIVE SUMMARY

Imagine the following situations: Linda is frustrated with her service provider. She thinks „they are not friendly enough”. Her friend Jim is not happy with the quality of his provider either. He emphasizes “they are simply not competent enough to provide a high quality service”. Which situation is more harmful for a service provider?

Recent research on consumers’ warmth and competence judgments by scholars from Austria, Germany, and the UK addresses this question. The authors develop a theoretical framework that explains whether, when, and why warmth or competence is more important in customer–service provider relationships and thereby clarifies the existing ambiguities that revolve around these questions in the literature.

A missing conceptual piece that this research identifies is whether managers focus more on transactional or relational aspects as indicators of relationship success. The authors combine a literature-based examination with evidence from field and lab studies to develop the notion of an asymmetric dominance—that is, warmth is more important for customer relationship building and retention (the relational bond), whereas competence is a stronger driver of monetary exchange and current operating performance (the transactional bond).

The present article helps to overcome the predominant belief that consumers generally put more emphasis on competence, by shedding light on the important but previously underestimated role of warmth. As such, “the study’s guiding framework helps managers to attain a more nuanced perspective on each dimension’s contribution to strategic firm objectives,” states Pascal Güntürkün, one of the study’s authors. His coauthor Till Haumann adds that “placing emphasis on competence is especially helpful when managers aim to push short-term transactional goals, while an emphasis on warmth is more effective to establish more long-term oriented relational bonds that shield against external threats and disruptions.”

“The insights of the study also help service managers in identifying different types of service contexts and customer groups with different service consumption goals for which investing in warmth or competence is particularly promising” comments Sven Mikolon, another coauthor of this study. Regarding differences between service types, managers should be aware that in services offering care for people, such as in the personal beauty or health sector, being the subject of service provision heightens consumers’ attention to competence cues. In contrast, in services that offer care for objects, like repair or cleaning services, being absent from the service delivery process heightens consumers attention to warmth cues.

Finally, the study informs service managers of notable differences between consumers with different consumption goal orientations. Service providers can use these insights to develop more customized offerings for certain customer profiles. In this research, female and older consumers pursue more process goals and thus place more emphasis on warmth, whereas male and younger consumers have a higher outcome orientation and thus place more emphasis on competence. Beyond these individual and contextual differences, a striking finding is that the dominance of warmth for relational bonds is much more robust than the dominance of competence for transactional bonds.