The Drivers of Consumer Complaint Behaviors in the Service Industry

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Abstract

This study examines the determinants of consumer complaint behaviors (CCB) in the service industry. The taxonomy of CCB is reviewed and confirmed; the main effect and interaction effect of predictors of CCB are defined and checked. This study postulates that the types of service failure, namely, failure in procedure and failure in outcome, have a significant main effect and interaction effect on the Voice response of CCB. The hypotheses are tested and the results are discussed.

Key words: Consumer complaint behaviors, service failure, service industry

INTRODUCTION

Consumer complaint behavior (CCB) has long been of high interest among both researchers and practitioners (Bearden and Teel 1983; Business Week 1984; Day 1984; Resnik and Harmon 1983; Richins 1983; TARP 1979, 1986). This is because the study of CCB and its consequences appears to be critical in the explanation and prediction of consumer repurchase intentions and brand loyalty (Day 1984; Engel and Blackwell 1982; Rechins 1983); meantime, practically, it is useful for practitioners to understand the extent of marketplace dissatisfaction and in devising programs to alleviate consumer complaints (Lewis 1982; Ross and Oliver 1983; TRAP 1979, 1986). The objectives of this paper are as follows. First, it specifies one kind of taxonomy of consumer responses to the failing service they experienced and argue its validity (Singh 1988). Second, this research classifies two different types of service failure that arouse complaints among consumers. It is argued that not only the level of failure of the service, but also the types of failure make the consumer complaint behavior different. At last, this study examines how the managerially relevant predictors take effect on the consumer complaint behavior both individually and interactively. Hopefully this will provide reasonable managerial implications for both consumers and practitioners, and will make the theoretical field of this topic one step closer to the real world.

CONCEPTUAL BACKGROUND OF CCB

Taxonomy of CCB

Despite of the importance of the concept of CCB, considerable disagreement remains with respect to the structure of dissatisfaction responses (Manfred F. Maute and William R. Forrester, Jr. 1992). For conceptualization, CCB is a set of multiple (behavioral

and nonbehavioral) responses, some or all of which are triggered by perceived dissatisfaction with a purchase episode (Singh 1988). For structure, Singh (1988) neither unidimensional concluded that conceptualization, nor the classifications proposed by Day and Laird (1977) and Day (1980) adequately represented the structure of CCB responses. Another approach is Hirschman's exit, voice and loyalty typology (Manfred F. Maute and William R. Forrester, Jr. 1993). In this construct, CCB is classified as exit, voice or loyalty and exit (Hirschman 1970). While Hirschman's typology has been used to explain responses to dissatisfaction in political and trade union organizations and in personal, employment and marketplace relationships, the classification has not been empirically validated (Rusbult et al. 1982; Allen 1984; Farrell and Peterson 1982; Rosse 1988; Andreasen 1985).

This study adopts Singh's (1998) three-dimensional typology that discriminated among CCB responses on the basis of the object toward which the response was directed (e.g., family/friends, third parties and sellers/manufacturers) (Manfred F. Maute and William R. Forrester, Jr. 1993). This study uses exploratory factor analysis to test the validity of the taxonomy in the following section using the questionnaire data. Figure 1 is the structure of Singh's (1998) proposed taxonomy.

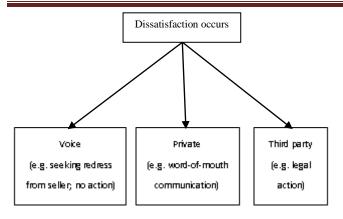


Figure 1: The taxonomy of Singh's (1998) structure model.

Predictors of CCB Responses

As for the factors that determine the response of CCB, some researchers focus on the characteristics of the consumers, redress environment variables and dissatisfaction problem characteristics (Singh and Howell 1985). Some other researchers focus on individual difference such as education, sensitivity to declining product quality and personal power (Hirschman 1970, Andreasen 1985). Still, some emphasize the relationships between individual level variables such as assertiveness, social activity and sophistication although the influence (Fornell and Westbrook 1979; Richins 1987; Reynolds and Darden 1971). Meantime, some researchers concerned with the efficacy of dissatisfaction responses, have identified factors in the redress environment that affect CCB (see Manfred F. Maute and William R. Forrester, Jr. 1993). Some studies examine the determinant of CCB using an investment model and found that the level of prior satisfaction and investments in the relationship were related to dissatisfaction responses (Manfred F. Maute and William R. Forrester, Jr. 1993).

In this study, as in some extent works, basically, CCB is assigned to the seller rather than to the buyers or to chance (Richins 1983; Kraft 1977; Granbois et al. 1977; Folkes 1984; Newman and Werbel 1973).

In this illumination, this study focuses on the determinant of the CCB on three aspects, namely, magnitude of the service failure, type of the service failure and importance of the purchase. The magnitude service failure is the extent to which the consumer feels that it is bad; the importance of the purchase concerns the importance of the this certain purchase for the consumer; and last, for the type of failure service, it is classified into two types, which are respectively, failure

in procedure and failure in outcome. Procedure failure means the dissatisfaction of the consumer during the provision of services, for instance, the dissatisfaction caused by the bad manner of the waiter in the restaurant; while outcome failure refers to the dissatisfaction of the consumer caused by the result of the service, for example, the bad taste of the dishes the restaurant finally provided (although the manner of the waiter is quite good).

Finally, Katherine Camp was able to take Dewey's theories and explain how they were translated into practice at the Laboratory School. Through her publications in *Manual Training Magazine* and the book she completed with her sister entitled *The Dewey School: The Laboratory School of the University of Chicago 1896-1903* (1936), Camp provided explanations of how Dewey's educational ideas were implemented.

Contribution of this Study

Despite of the controversies over the taxonomy of the structure of CCB (Singh 1988), this study focuses on the three dimensional typology of the structure of CCB and provided the validation of this using exploratory factor analysis and found that the data does strongly support the taxonomy.

For the predictors of CCB, this study classified the types of service failure. This will provide insight to explain why very different complain behaviors among consumers occur despite of the same magnitude of the service failure other than just ascribe the difference to the consumers' characteristics.

Also, the predictors in theoretical model include not only the aspects of the service provider, as mentioned above; they also include the importance of the service for the consumer. Thus, besides the main effect of the predictors of CCB, this study looks into the interaction effects among the predictors. The results will provide new information for both researchers and practitioners.

HYPOTHESES

Rationality of the Sellers and Consumers and the Dissatisfaction of the Consumers

It is reasonable to assume that the both the sellers and the consumers are rational. Blau (1964) and Homans (1961) used the term "rational" to refer that in the process of the service, both sellers and consumers are motivated to pursuing their own interests. Hence when their interest is threatened, they will tend to protest it. CCB is a set of multiple (behavioral and nonbehavioral) responses, some or all of which are triggered by

perceived dissatisfaction with a purchase episode (Singh 1988). On one hand, through complaint, the consumers expect to protect their interest. On the other hand, the sellers know that the CCB will probably threat their interest: as private increases, the consumer expresses his or her dissatisfaction toward their service and will be not likely to come again (Kasper 1988), and as a result the sellers will lose the consumer; as voice increases, the failing service may course the seller to lose this consumer and a group of the potential consumer (Kraft 1977; Granbois et al. 1977; Richins 1987; Bolfing 1989); as third party increases, the failing service of this time may induce severe consequences. All these will have a negative impact on their future interest. Considering this, the sellers will tend to compensate the interest of the consumer when the consumer begins to complain. Meantime, the consumer knows well about this, so when they become more dissatisfactory about the service, they will tend to increase their CCB. Hence,

H1a: As the magnitude of service failure increases, private responses will increase.

H1b: As the magnitude of service failure increases, third party responses will increase.

H1c: As the magnitude of service failure increases, voice responses will increase.

Types of Service Failure

The service failure is classified into two types, service failure in procedure and in outcome. Given the same magnitude of the failure, these two types of service failure will make the consumer complaint behavior quite different.

First, there are some differences between these two types of failure. The failure in procedure basically concerns the manner of the service provider to the consumer which makes the consumer psychologically uncomfortable. In other words, it is a kind of service that makes the consumer feel neglected, disrespected or even insulted. This is related to the subjective feeling of the consumer and hence no visible evidence could be shown by the consumer to reveal the failure service he or she has just encountered. Under this circumstance, the consumer may fell that there will be unfavorable consequences of some kind if they express their dissatisfaction through voice or third party (Nancy Stephens, Kevin P. Gwinner, 1998). On the contrary, the failure in outcome is much more objective. It refers to the material outcome that the consumer gets from the service. For instance, the bad dishes served by the restaurant or the awful hair style made by the barber.

Thus, this is quite visible and could be seen as an evidence of the failing service.

Based on the above arguments, it is supposed that first, when encountering a service failure in procedure, the consumer tends to express his or her dissatisfaction by word-of-mouth rather than third party, since there tends to be not enough evidence to convince the third party of that type of failure. Second, the consumer tends to express his or her dissatisfaction by voice when he or she encounters a service failure in outcome. Hence,

H2a: Private responses are more in procedure service failures than those in outcome service failures.

H2b: Third party responses are less in procedure service failures than those in outcome service failures.

H2c: Voice responses are less in procedure service failures than those in outcome service failures.

The Importance of the Purchase to the Consumer

As mentioned before, the importance of the purchase is treated as a predictor of the consumer complaint behavior. This is similar to the concept of "commitment" referred to by some researchers. (Nancy Stephens, Kevin P. Gwinner, 1998). Commitment refers to the things people hold as important. Related constructs include motive, drive, intentions and involvement (Lazrus and Folkman 1984). Individuals are thought to have patterns of commitments, in that some things are important and others are not (Nancy Stephens, Kevin P. Gwinner, 1998). The dissatisfaction of a consumer will increase as the importance of the purchase become more important for him or her. This is consistent with a conceptual model put forth by Day (1984) that included the significance of the consumption event as a personal factor influencing the complaint decision (Nancy Stephens, Kevin P. Gwinner, 1998). Hence,

H3a: As the importance of the purchases increases, private responses will increase.

H3b: As the importance of the purchases increases, third party responses will increase.

H3c: As the importance of the purchases increases, voice responses will increase.

Interaction Effect between the Predictors

The failure in procedure is typically more severe than failure in output. This is quite a psychological effect of the consumer. Because the failure in procedure is the manner of the seller that makes the consumer feel neglected, disrespected or even insulted. Under this circumstance, the consumer is likely to be so angry that he will hold a totally negative appraisal of the service even the ultimate outcome of the service is not that bad. In other words, the service failure in procedure will aggravate the dissatisfaction of the consumer. On the contrary, the failure in outcome mainly reflects the competence of the seller rather than the manner and is more forgivable than the failure in procedure. Hence,

H4: The magnitude of service failure will exert a greater effect to the voice CCB in a procedure service failure than in an outcome service failure.

When the purchase is of more importance to the consumer, the magnitude of service will cause higher degree of dissatisfaction to the consumer. This is because, when the purchase of a service is very important for the consumer, the failure in that service will be more significant compared to the situation when the purchase is not that important. In other words, the importance of the purchase is likely to enhance the degree of the failure and hence the greater dissatisfaction and CCB. Thus,

H5: The magnitude of service failure will exert a greater effect to the voice CCB when the purchase is of high importance than when the purchase is of low importance.

METHODOLOGY

Table 1: Demographic characteristics of respondents

Demographic Variable Percentage Distribution Gender 49.80 Male 50.20 Female Age 18-24 19.00 25-30 21.40 31-40 26.00 41-50 20.50 51 or above 12.20 **Marital Status** 48.40 Single Married 51.60 Occupation 15.20 Professionals 10.80 Managerial/Executive White Collar 33.44 Technical 12.71 Students 6.00 Home duties 6.90 Retired/Unemployed 7.36 7.60 Others Education Below High School 12.30 High School Graduate 42.30 College 17.50 Graduate level or above 28.00 Personal Monthly Income Below HK\$10,000 34.90 \$10,000 - HK\$19,999 38.50 \$20,000 - HK\$29,999 15.80 \$30,000 - HK\$50,000 8.70 Above HK\$50,000 2.10

Sampling and Data Collection Method

A mixed-design experiment was employed by conduction a survey using convenience sampling at diverse locations. Respondents were recruited on a university campus in China, at residence houses, and in business and shopping areas in order to provide a sample of customers with diverse demographics and service experiences. The total sample has 912 respondents, and missing data reduced the analysis sample to 897 respondents. Table 1 provides a summary of the characteristics of the sample. Respondents were asked to evaluate written failure scenarios set in the context of a restaurant that they visited most often. Although this approach involves a trade-off between control and generalizability, a scenario method is useful to explore complex concepts that are not easily operationalized in a real world setting (Eroglu 1987). The use of scenarios has been practiced extensively in previous satisfaction and service recovery research (e.g. Bitner 1990; McCollough et al. 2000; Smith and Bolton 1998, 2002; Smith et al. 1999). Since the survey is conducted across multiple restaurants, the result could be generalized across companies in the restaurant industry with added external validity.

Note: Sample size = 897.

Experiment Design

A $2 \times 2 \times 2$ between-subjects factorial design was employed to test relationships between three determinant variables, magnitude of failure (high versus low), type of failure (outcome versus process) and importance of the purchase (important versus less important), with CCB responses to service failure as the dependent variable. Descriptions of the eight failure scenarios are presented in Appendix.

Manipulations

Manipulation checks were employed after the presentation of service failure scenarios. Two manipulation items were used to assess subjects' perception of the service encounter in terms of the importance of the purchase and their evaluation of the seriousness of the service failure.

Measurement of CCB Responses

A comprehensive list of dissatisfaction responses was generated from studies by Rusbult et al. (1982), Rusbult et al. (1988) and Singh (1988). Sixteen CCB items were selected from this list and a seven-point graphic rating scale comprised of these items was developed (as indicated in Table 2).

Table 2: Summary of items comprising private, third party and voice responses.

Item	Statement Statement
1	Do nothing.
2	Forget the incident quickly.
3	I would blame myself.
4	I would complain to the manager immediately.
5	I would complain to the employee of that restaurant that I familiar with.
6	I would ask the restaurant to take care of the problem.
7	I would not visit the restaurant again.
8	I would tell my friends and relatives about my bad experience.
9	I would convince my friends and relatives not to visit this restaurant.
10	I would complain to the consumer council and ask them to make the restaurant take care of my problem.
11	I would write a letter to the local newspaper about this bad experience.
12	I would report to the consumer council so that they can warn other consumers.
13	I would take legal actions against the restaurant.
14	I would wait and hope that things will be improved at the restaurant.
15	I would remain loyal to the restaurant.
16	I would communicate the reasons for my dissatisfaction to the restaurant.

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Factor analysis with varimax rotation was used to determine the three CCB response factors. A factor loading of > or =0.5 was considered as a significant contribution to a factor cluster. The internal consistency method was adopted to check for homogeneous data, with [alpha] > or =0.6 as a sufficient condition for an exploratory study. KMO (Kaiser-Meyer-Olkin) values were used to measure the adequacy of the samples, with KMO > or =0.5 as an acceptable condition.

RESULTS

Manipulation Checks

Results of manipulation checks on the importance of purchase and failure magnitude suggest that the manipulations on both factors of service failure were successful. Means of the importance of purchase check item under the high vs. low importance conditions differed significantly, X = 5.774 / 4.616, F(1,893) = 157.88, p < 0.0001. Similarly, means of the failure seriousness item under high vs. low failure magnitudes are significantly different, X = 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.824 / 1.

Measurement Model

Table 3 shows the CCB response factor results. The three extracted factors are labeled as private CCB, third party CCB and voice CCB. The [alpha] and KMO values are indicated in Table 3 and 4. These values meet with the standards outlined earlier. In the exploratory factor analysis of CCB, the results indicated it is acceptable.

 Table 3: Results of Factor Loadings

Effect of Service Failure Variables on CCB Responses

The effects of service failure variables on CCB responses were analyzed with MANOVA. Results are indicated in Table 4. The results indicate that magnitude of service failure, type of service failure and importance of the purchase significantly influenced private (F =4.808, df 7, p<0.000), third party (F=4.785, p<0.000) and voice (F=4.317, p<0.000). Some of the two-way interactions were statistically significant, while three-way interaction was not statistically significant.

Table 4: Multivariate analysis of variance voice, private and third party.

Factor1	Item	Factor
		Loadings
Private CCB	7	.79
$\alpha = 0.61$	8	.67
KMO=0.77	9	.74
	14	75
	15	84
Factor2	Item	Factor
		Loadings
Third party CCB	10	.81
$\alpha = 0.78$	11	.88
KMO=0.83	12	.88
	13	.84
Factor3	Item	Factor
		Loadings
Voice CCB	4	.82
$\alpha = 0.63$	5	.68
KMO=0.77	6	.76
	16	.80

d,	Pávao		Third past y		Voice	
	F-value	p>#	F-value	p>F	F-value	gog.
-	16.615	.000**	12.624	.000**	3.449	.064*
-	10.270	.001**	2.100	.148	8.596	.003**
-	2.833	.093*	15.719	.000**	\$.136	.004**
-	2.456	.117	.316	.574	4.893	.027*
-	.576	.448	1.680	.195	3.811	.051*
-	.043	.836	.068	.795	1.665	.197
-	1.042	308	1.104	294	.037	.848
7	4.808	.000**	4.785	.000**	4.317	.000**
	0.036		0.036		0.032	
	, 4		Private F-value 16.615 10.270 2.833 2.436 5.76 .043 1.042	Private poF 16.615 .000** 10.270 .001** 2.833 .093* 2.456 .117 .576 .448 .043 .836 1.042 .308 4.808 .000**	Private Third party F-value poF F-value 16.615 .000** 12.624 10.270 .001** 2.100 2.833 .093* 15.719 2.456 .117 .316 .576 .448 1.680 .043 .836 .068 1.042 .308 1.104 4.808 .000** 4.785 0.036 .0036	Private Third panty F-value poF F-value poF 16.615 .000*** 12.624 .000*** 10.270 .001*** 2.100 .148 2.833 .093** 15.719 .000** 2.456 .117 .316 .574 .576 .448 1.680 .195 .043 .836 .068 .795 1.042 .308 1.104 .294 4.808 .000** 4.785 .000** 0.036 0.036 .0036 .000**

^{**} Significant at 0.01 level.

Magnitude of Service Failure

Hypotheses were tested by comparing means for CCB responses across experimental conditions for those main effects that significantly influenced private, third party and voice (as indicated in Table 5). The first series of hypotheses predicted that private, third party and voice would all increase for more severe service failures. Magnitude of service failure had a strong and statistically significant effect on private (F= 16.615, df 1, p<0.000) and third party (F=12.624, df=1, p<0.000). In contrast, the relationship between magnitude of service failure and voice was weaker, although statistically significant at the 0.10 level. Hypotheses 1a, 1b and 1c were confirmed as private, third party and voice increase when the service failure was more severe.

Table 5: Means and standard errors CCB dissatisfaction responses.

Effect	CCB responses			
	Private	Third party	Voice	
Magnitude of service				
failure				
High	.133 c	.115 c	.608 b	
Low	133	117	607	
Type of service failure				
Procedure	.104 c	048 a	096 c	
Outcome	105	.048	.096	
Importance of				
purchase				
High	.055 a	.129 c	.093 с	
Low	055	130	093	

a Main effect not statistically significant.

^{*} Significant at 0.1 level.

- b Significant at 0.10.
- c Significant at 0.01.

Type of Service Failure

Hypotheses 2a, 2b and 2c predicted that private would be less and third party and voice would be more in outcome failure than in procedure failure. Type of service failure were strongly and significantly related to private (F= 10.270, df 1, p<0.001) and voice (F= 8.596, df 1, p<0.003), but not significantly related to third party (F=2.100, df 1, p<0.148). Analysis of differences in CCB responses in the procedure and outcome service failures indicated that private is higher in procedure failure while voice is lower in procedure failure, confirming hypotheses 2a and 2c. Although means and standard errors for third party in the outcome and procedure failures are reported, hypothesis 3b was not tested formally because the type of service failure main effect on third party was not statistically significant.

Importance of the Purchase

The third series of hypotheses predicted that private, third party and voice would increase when the importance of the purchase was high. Importance of the purchase had a strong and significant effect on third party (F=15.719, df 1, p<0.000) and voice (F=8.136, df 1, p<0.004). In contrast, private was not so strongly influenced by importance of the purchase, although the relationship is still statistically significant at the 0.10 level (F=2.833, df 1, p<0.093). Hypotheses 3a, 3b and 3c were confirmed by results indicating that private, third party and voice increased when importance of the purchase was higher.

Two-way Interaction

Hypotheses 4 and 5 predicted the moderator effect of type of service failure and importance of the purchase to the relationship between magnitude of service failure and voice. The significant two-way interaction of magnitude of service failure * type of service failure and magnitude of service failure * importance of the purchase indicated the moderator effect. The figures of estimated marginal means of voice influenced by the interactions were shown (as indicated in Figure 2 and 3 below). When magnitude of service failure was more severe, voice slightly decreased in the outcome failure while greatly increased in the procedure failure. When magnitude of service failure was more severe, voice kept stable if the importance of the purchase is high while increased if the importance of the purchase is low. Hypotheses 4 and 5 are confirmed

Figure 2: Interaction Effect of Magnitude of Failure and Type of Failure on Voice

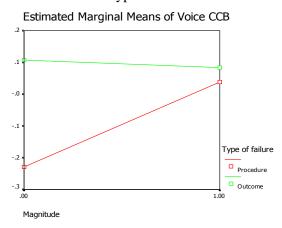
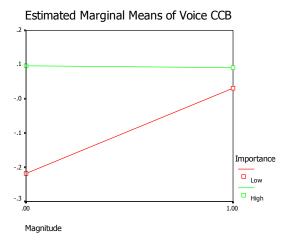


Figure 3: Interaction Effect of Magnitude of Failure and Importance of Purchase on Voice



DISCUSSION

Factors Influencing CCB Responses

Findings substantiate the predictive and explanatory power of the cognitive-emotive process model of consumer complaint behavior and affirm the influence of service failure and personal factors on CCB responses. The strong and relatively consistent effect of a diverse group of predictors on a validated CCB typology is encouraging given the tendency of past research to select predictor variables unsystematically and to examine the effect of these variables on only a limited number of CCB responses. But, despite the impressive performance of the cognitive-emotive process model, those variables explained substantially different amounts of variation in the three CCB responses. Even allowing for the possibility of disproportionate measurement error, magnitude of service failure accounted for relatively little variation in voice, type of service failure accounted for relatively little variation in third party, and importance of the purchase accounted for relatively little variation in private. The inability of those variables to explain more of the variation in CCB responses suggests that other factors such as situational factors and emotional factors should be included in subsequent efforts to model each dimension of CCB responses.

Types of Service Failure, Importance of the Purchase and the Interaction Effect

This is an interesting issue, the interaction effect. Findings in the study shows that both the importance of the purchase to the consumer and the type of failure have impact on the magnitude of service failure and hence cause different responses of consumer complaint behavior.

As to the two interaction effects---(types of failure × magnitude of failure) and (importance of failure × magnitude of failure), they are both significant in affecting Voice. It showed that the failure in procedure is likely to be more severe than that in result; hence the former tends to exaggerate the magnitude of the failure and arouse greater response in Voice. Similarly, when the purchase is very important for the consumer, it will also exaggerate the magnitude of the failure, hence greater CCB in terms of Voice. It is quite interesting that the interaction effects both significantly play their role on Voice. Presumably the reason is that Voice is the most direct and quick reaction of the consumer to the service failure. Type of failure and the importance of purchase take effect on the consumer quite psychologically. Sometimes it has something to do with the consumer's "face". Service failure in procedure usually makes the consumer feel neglected and disrespected; while service failure in an occasion that is important to the consumer may make the consumer feel embarrassed in front of others. Both these situations make the consumer feel that he/she lost face because of the failed service. And this will make the consumer psychologically exaggerate the magnitude of the importance and eager to get rid of this circumstance. Thus, the direct and first response of them is likely to be complaining through Voice in order to express the dissatisfaction and cease the embarrassment as soon as possible.

LIMITATION AND CONCLUSIONS

The results of this study should be interpreted cautiously for three reasons. First, the generalizability of the result is limited by the fact that restaurant service, which is characterized by low levels of complexity but

high levels of involvement, was chosen as the context of the study. Whether the patterns of CCB structure and relationships identified in this study will hold for other product and service contexts awaits further research.

Second, behavioral intentions rather than actual behaviors were measured. While intentions are not always flawless predictors of behavior, this approach was based on the desire to assess the intensity of dissatisfaction responses (see Singh 1988), and objective achieved more readily by measuring behavioral intentions than behaviors (e.g., 'did voice' or 'did not voice').

Third, CCB responses were examined from a static perspective that considered the effect of service failure variables on private, third party and voice responses following a single dissatisfactory consumption experience. Although those predictors demonstrably affected CCB responses, this study did not investigate the evolution of dissatisfaction responses over time by examining whether and how constructive and passive responses such as voice and private were influenced by repeated dissatisfaction.

These limitations notwithstanding, the study makes a number of important methodological, theoretical and practical contributions. The empirical validation of a CCB typology as well as the development of reliable measures for private, third party and voice responses serves as a basis for integrating the results of CCB research around an accepted classification of dissatisfaction responses. In addition, studying the effects of outcome/procedure service failure on CCB responses suggests ways in which buyers can select CCB responses in different situations and sellers can manage these responses differently to maximize the potential for mutually beneficial long-term exchange relationships.

Several questions of theoretical and practical significance must be addressed by subsequent studies. The service failure factors and personal factors should be tested in other product/service and industry contexts. Determining the manner in which CCB responses evolve temporally over a series of consumption experiences is also an important research priority. In addition, evaluating the effect of emotions in the cognitiveemotional process of CCB responses will increase the prediction of CCB responses. From a managerial perspective, there is considerable value in identifying threshold points for service failure variables below which CCB responses are not activated. If, for instance, restaurants understood the sensitivity of CCB responses to the interaction between magnitude to service failures and type of service failure, marketing managers could be more concerned about the attitude and manners of their employees.

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Author Profile

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APPENDIX

Service Failure Scenarios

Eight service failure scenarios were created as combinations from varying (1) high vs. low importance of purchase, (2) outcome vs. process failure, (3) high vs. low failure magnitude.

High importance: You were <u>responsible</u> for organizing a <u>dinner party</u> and went to the restaurant with a group of people to celebrate a special occasion last night.

Low importance: You went to the restraint as usual last night.

Outcome failure and High magnitude:

When you placed an order of your favorite dish, the waiter informed you that the restaurant was <u>out of your choice of entrée</u>. You had to order something else. When the waiter brought your entrée at the table, the food was <u>cold</u>, <u>unfresh</u>, and <u>poorly cooked</u>. After you left the restaurant, you found you were <u>overcharged</u> in your total bill. When the waiter brought the entrees of your group at the table, the food was <u>cold</u>.

Outcome failure and Low magnitude:

unfresh, and poorly cooked.

Process failure and High magnitude:

You waited for a very long while before you were seated though you had made a reservation. The waiter came to bring the water / tea to you/your group and take your/your group's order 30 minutes after you/your group was seated. It took an hour for the waiter to bring the food at your table. Besides, the waiter ignored your requests (e.g., refilling your water / tea) and did not respond to your questions throughout the course of your dinner.

Process failure and Low magnitude:

The waiter <u>ignored your requests</u> (e.g., refilling your water / tea) and <u>did not respond</u> to your questions throughout the

course of your dinner.