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AN ANALYSIS OF MATURE CONSUMERS' REACTIONS TO UNSATISFACTORY
COMPLAINT HANDLING BY SERVICE PROVIDERS

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ABSTRACT

In this nationwide survey, consumers over the age of 65 reported their reactions to a recalled unsatisfactory complaint experience that involved a service rendered. The study focused on the possible link between attributions of complainants for failure to obtain desired outcomes and subsequent behaviors. Inferences about causes and some demographic characteristics were found useful for explaining variation in anger reactions, negative word-of-mouth communications, repurchase behaviors, and estimations of the likelihood of future complaint actions among sampled seniors. Implications of results in terms of effective complaint handling by service organizations are discussed.

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INTRODUCTION

Even though a large percentage of older adults are not happy with many of their purchases, they are not as likely to complain as their younger counterparts (1, 13, 15). In fact, older consumers seem less reluctant to complain about improperly performed services than unsatisfactory products (1). And instead of complaining to a responsible party, senior citizens are more likely to voice their dissatisfaction to other consumers, stop patronizing the establishment, or stop buying the product or service (1, 13).

According to the U.S. Census Bureau, over 30 million people in the United States are over 65 (16). By the year 2030, 20% of the overall

American population will be in this age group. And perhaps even more importantly, our older population is healthier, wealthier, more active, and better educated now than at any other time in history (11). Since those over 65 have a large amount of discretionary time that can be used on leisure pursuits, those in services should actively seek senior citizens as customers. In addition, service firms marketing to senior citizens should actively solicit complaints from dissatisfied older consumers because firms that successfully resolve specific product or service problems for customers who complain can expect the goodwill and future purchases or patronage from individual complainants and their friends (7, 8, 9, 10, 14). Service firms should also welcome complaining because it provides feedback necessary for companies to correct the source or causes of consumer problems possibly unknown to management (7, 8, 14).

Although some marketers argue that services follow a marketing concept that recognizes the need to satisfy their customers, the literature reveals that many complaints are ignored or are resolved in a way that fails to satisfy customers (9). While managers think they do everything they can to give their senior citizen customers satisfactory responses to complaints, studies show that senior citizens who complain may not perceive the response the same way firms do (9). Managers of service firms may think their responses are fair or even generous, but the senior citizen complainants may perceive them as unfair or even stingy. Firms may also try to respond to each quickly, but a consumer may perceive a lengthy response time.

How do senior citizens react when they come away dissatisfied with the response they receive to their complaints? Research suggests that when consumers are dissatisfied with complaint outcomes, they participate in one or more responses that can have a serious negative impact on the firm. Usually consumers either discontinue or reduce purchases or patronage of the company's products or services. But they may also engage in unfavorable word-of-mouth activities, complain to consumer agencies, and/or take legal action (10, 14). Studies of mature consumers' complaining behavior have hinted that the elderly consumers' reluctance to complain may be less a function of age and more the consequence of a long series of unsatisfactory responses to their complaints (1, 13, 15). Other studies have shown that complaints to service-based firms, as compared to complaints to product-based firms, are resolved unsatisfactorily after lengthy response time (2). Because older consumers expect to be dissatisfied with a service firm's response to their grievances, they may not complain even though these complaints could be beneficial to the firm.

A more complete understanding is needed of the influences affecting courses of action that older consumers take in response to feelings of dissatisfaction with complaint handling (9). More effective complaint handling policies can result from such an understanding. The research presented here examines attributions of older consumers for failure to obtain a satisfactory complaint resolution from a service provider in order to determine the role consumer influencees about blame play in determining subsequent behaviors and feelings. Effects of resulting anger and demographic characteristics on consumer reactions are also investigated.

CONCEPTUAL FRAMEWORK

Attributions are what people perceive to be the causes behind their own behavior, the behaviors of others, or the events they observe (17). Assuming that people search for explanations for events, attribution theory views people as rational information processors whose actions are influenced by perceptions of cause-and-effect relationships (4, 5, 6, 17). We found a number of studies in a variety of other domains that suggest negative or unexpected outcomes initiate attributional search (3, 4, 5, 6). Thus, elderly consumers dissatisfied with a service firm's response to their complaint may search for causes for the unsatisfactory response.

Research suggests that one way to predict behaviors from inferences people make is to first classify causes on the basis of their underlying properties (17). In the present study, a two-dimensional taxonomy is used for predicting consumer reactions in response to dissatisfaction following an unsatisfactory complaint experience. This categorization system classifies causes on dimensions of locus (whether internal to the consumer or external to the consumer) and stability (whether temporary and fluctuating or permanent and stable) (17).

SAMPLING AND DATA COLLECTION PROCEDURES

From a nationwide mail survey of complaint experiences of consumers aged 65 and over, 121 mature consumers reported their reactions to a recalled service consumption experience in which they were dissatisfied, they complained to someone who could help rectify the situation, but the complaint was not resolved to their satisfaction. Table 1 shows a profile of these respondents. Slightly more than half were male. The majority was less than 75, married, white, and had some college training. Most felt their financial situation was the same as or better than most seniors. With regard to complaint history, most indicated that they do not often complain and are not often satisfied with how businesses respond to their grievances. A slightly greater proportion indicated that the experience had occurred within the past year than indicated the experience occurred more than a year ago.

On the questionnaire, we asked these consumers to hypothesize why their complaints were not handled satisfactorily. We devised and listed on the questionnaire explanations for unsatisfactory complaint resolutions to represent the two dimensions of attributions as mentioned above. Reasons varied in locus (internal, external) and stability (stable, unstable), for a total of four different reasons (categories of causes). The consumer could contribute the bad outcome to (a) lack of ability (an internal-stable factor), (b) lack of effort (an internal-unstable factor), (c) the task's being too difficult (an external-stable factor, or (d) lack of luck (an external-unstable factor) (17). Participants chose one statement (reason) that best explained why they thought their complaints were not resolved satisfactorily.

The questionnaire also asked the participants to indicate how they responded to the unsatisfactory complaint resolution. On a scale of from one to ten, respondents indicated to what extent they experienced

feelings of anger. They also indicated if they warned friends or relatives and/or boycotted or ceased doing business with the service provider. On a separate scale which ranged from 0% to 100%, we asked the consumers to indicate the likelihood that they would complain the next time they experienced a marketplace dissatisfaction.

DATA ANALYSIS AND RESULTS

Descriptive analysis indicates that participants in our study experienced high levels of anger (mean = 6.2) after failing to obtain desired restitution. Most reacted by warning other consumers (83.5%) and ceasing to do business with the service provider (80.0%). Contrary to what we had expected, probability estimates of future complaints are high (mean = 79.5%) for these consumers. Respondents cited external factors more often than internal factors (61.2% and 38.8%, respectively) and stable factors more often than unstable factors (64.7% and 35.3%, respectively) as explanations for failure to obtain satisfactory complaint outcomes.

ATTRIBUTIONAL AND DEMOGRAPHIC EFFECTS

The descriptive analysis revealed considerable variation in behavior among sampled consumers. Due to the exploratory nature of this study, a modified stepwise regression procedure was used to assess the impact of attributional and demographic factors on the four response variables in our study. Because of our interest in interactions among locus and stability factors, main effects were forced into the model when the stepwise procedure indicated the presence of a significant two-factor interaction. Since the warn and cease variables were dichotomous, an alternative stepwise logistic regression procedure was used as a check on the ordinary least squares (OLS) results. Very similar results were obtained by the two procedures, and only the OLS results are reported here.

ANGER. The regression results in Table 2 indicate that persons who attributed their lack of success in complaining to stable factors (ability and task difficulty) experienced significantly higher levels of anger than did persons who attributed this lack of success to unstable factors (effort and luck). White consumers also experienced significantly higher levels of anger than non-white though this effect was not as strong, statistically ($p=.10$).

PROPENSITY TO WARN OTHERS. Not surprisingly, consumers who were angry at the failure of the complaint process were much more likely to warn friends or relatives ($p<.01$) than were complainants who did not experience such feelings. Demographically, younger complainants (age 65-74) were more likely to warn friends than older complainants (age 75 and over), and white consumers were also more likely to warn others than were non-whites ($p=.10$).

CEASE USE OF THE SERVICE. When a lack of complaining success occurred anger was the major factor in consumers' decisions to cease using the offending service ($p<.01$). Although less important statistically ($p=.11$), service customers who attributed their lack of success to external factors (task difficulty and luck) were more likely

to cease using the service than customers attributing failure to internal factors (their own ability and effort).

PROBABILITY OF FUTURE COMPLAINTS. Although the impact of unsuccessful complaint experiences on future propensity to register complaints has not been studied, it is clearly of considerable interest to service marketers. In terms of attributions for complaint failure, probability of future complaining is also the most complex of the four responses to the study. As seen in Table 2, there is a highly significant ($p < .01$) interaction between the locus and stability attributions. To analyze this interaction, we first consider individuals who attributed lack of success to factors that are external. Here we find that persons with stable attributions were more likely to complain than those with unstable attributions. This suggests that persons attributing their failure to task difficulty are more likely to voice complaints in later dissatisfying instances than those attributing failure to lack of luck. However, for individuals attributing lack of success to factors that are internal, future complaining is more likely for persons with unstable attributions that is, persons attributing failure to lack of effort are more likely to voice future complaints than those attributing failure to lack of ability.

Demographic variables and levels of anger also play major roles in determining future complaint actions. Younger seniors are more likely to complain than older seniors ($p = .01$), and more educated seniors are similarly more likely than less educated seniors to voice future complaints ($p < .05$). Individuals who experienced high levels of anger following complaint failure are significantly more likely to complain in the future than those experiencing low levels of anger ($p < .10$).

DISCUSSION AND IMPLICATIONS OF FINDINGS

Appropriate response to consumer complaints is important for the service industry to maintain goodwill and patronage and to avoid negative word-of-mouth communications. The results of our analysis have several implications for the development and maintenance of complaint handling procedures in the service industry. Those in the service industry should not consider their complaint processes adequate if processes do not allow for complainants to register their feedback about the firms' responses to complaints. Since our analysis found anger reactions to unsatisfactory complaint responses to be the most important reason for consumers to cease the use of services of a firm, as well as, to increase the propensity of complainants to warn others not to use the firm's services, service providers that do not attempt to placate consumers' anger at an unsatisfactory complaint outcome can more than likely expect to lose the patronage of dissatisfied elderly customers. Incidentally, the likelihood of senior consumer boycotts and the propensity of seniors to warn others are more severe from a demographically more vocal subgroup. Younger, white senior citizens who blame their failed complaints on stable factors are more likely to cease patronizing or to warn others about a firm's services.

Although consumers often experience anger reactions due to failed complaints, their attributions for these failures suggest that simple complaint procedures and policies are effective in resolving complaints

without alienating consumers. Even those mature consumers who attribute their lack of complaining success to not exerting enough effort are, perhaps because they have resolved to try harder next time, predisposed to complaining in the future. In addition, persons who believed their lack of success was due to the task difficulty also indicated that they would voice future complaints. Because the reference point for these consumers might have been limited to the specific task under analysis, these findings suggest that older consumers do not perceive successful outcomes are impossible to attain.

Finally, our study identified a serious problem in the performance of existing complaint procedures for older elderly (over 75). These consumers were much less likely to voice complaints in future unsatisfactory purchase episodes than younger elderly. Current population projections present service firms either with significant threats or tremendous opportunities depending on their ability to modify current complaint procedures to accommodate this potential changing customer base.

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Table 1
 SAMPLE PROFILE
 (IN PERCENTAGES)

Variable	Overall (n=121)
Gender	
Male	51.2
Female	48.8
Age	
65-74	71.1
75 and older	28.9
Marital Status	
Married	60.3
Single	39.7
Perceived Financial Situation	
Better than most	24.8
Same as most	66.1
Worse than most	9.1
Race	
White	98.3
Non-white	1.7
Education	
Some college or more	55.4
High school or less	45.6
How Often Formally Complains	
Not often	83.2
Often	16.8
How Often Complaints Resolved Satisfactorily	
Not often	61.9
Often	38.1
When Experience Occurred	
Within the past year	53.8
More than a year ago	46.2

Table 2
STEPWISE REGRESSION RESULTS FOR CONSUMER COMPLAINT REACTIONS

Regressor	Anger	Warn others	Cease use of service	Probability of future complaints
Anger	-	0.038 (3.45)	0.031 (2.49)	1.527 (1.71)
Locus Attribution	-	-	-0.131 (-1.58)	16.839 (1.41)
Stability Attribution	1.882 (3.07)	-	-	5.331 (0.48)
Locus* Stability	-	-	-	-37.756 (-2.47)
Age	-	-0.136 (-1.80)	-	-15.440 (-2.59)
Race	3.632 (1.63)	0.580 (1.65)	-	-
Education	-	-	-	-6.411 (-2.29)
Intercept	1.500 (0.69)	0.653 (0.52)	0.653 (6.63)	97.180 (6.08)
R ²	.12	.19	.11	.17

^at-ratios in parenthesis

^b"Variable coding is as follows: Anger - 10 point scale (ranging from "none" to a "great deal"), Warn - 2 point scale ("no," "yes"), Cease - 2 point scale ("no," "yes"), Probability of future complaints - 11 point scale (ranging from 0 - 100%), Locus attribution (0 = external, 1 = internal), Stability attribution - (0 = unstable, 1 = stable), age - 2 point scale (0 = -2 point scale 2 point scale less than 75, 1 = 75 or older), Race - 2 point scale (0 = non-white, 1 = white), Education - 4 point scale (1 = completed college, 2 = attended college/technical school, 3 = completed high school, and 4 = did not complete high school).