CHAPTER II

LITERATURE REVIEW

This chapter provides a broad review of the literature on complaining behaviour. The chapter is organised in the following manner. The concept of Consumer Complaining Behaviour is defined first, followed by a description of previous research in this area. The various theories underlying research in complaining behaviour are presented along with empirical findings. An evaluation of the existing research is given at the end.

Complaining Behaviour defined

Research in consumer complaining behaviour has established that complaint behaviour is a complex phenomenon that varies greatly by consumer and situation. For the purpose of this research, complaints and complaining behaviour have been used synonymously. Complaints are an indispensable manner of getting feedback from consumers. They signify the presence of some dissatisfaction experienced by the consumer. Various people have defined complaints in a number of ways, e.g.: 
"A complaint is the uttering of a problem and the resulting dissatisfaction to the retailer or the producer". (Schouten & van Raaij, 1990)

This definition does not include complaints to a third party like the Government or an organisational entity that would be instrumental in redressing complaints. An improvement in this definition is given below:

"Consumer complaints consist of all oral (telephone and personal visit) and written expressions of dissatisfaction about the purchase of products and services in the marketplace and about government supplied services and benefits". (TARP 1985, p. 1-2)

The above definition would also include word of mouth communication about dissatisfaction with purchases made or services received from the Government. But as we have seen before, Jacoby and Jaccard (1981) found that complaints could come from satisfied users, non-users or even non-purchasers of goods and services. They present some evidence that complainers can include satisfied customers who perceive benefits, some fraudulent, to complaining to a manufacturer. In addition, some consumers who report being satisfied may still complain about minor issues, particularly if the organisation has a reputation for responding quickly and/or fairly to consumer problems (Day and Landon 1977). As Oliver (1987) noted, "...not all dissatisfied consumers complain nor are all complainers dissatisfied". There is a need, therefore, to investigate consumers who represent these exceptions. (Halstead 1992)
Hence, for purposes of this study, a consumer complaint is defined as “an action taken by an individual which involves communicating something negative regarding a product or service to either the firm manufacturing or marketing that product or service, or to some third-party organisational entity (such as the Better Business Bureau or the Federal Trade Commission).” (Jacoby and Jaccard 1981)

Complaining behaviour has been viewed as a topic of avid interest since the 1970s, and a large number of research studies have tried to describe this phenomenon. The review of literature draws heavily upon the work of Landon (1976), Halstead (1990) and Hegde (1996).

Factors Underlying Consumer Complaint Behaviour

The causes underlying consumer complaints are varied and complex. Jacoby and Jaccard (1981) summarise them into three major categories, which determine an individual’s propensity to complain. They are market-related factors, consumer-related factors, and situation-related factors. Research by Day & Landon (1976; 1977), Day et al (1981), Halstead (1990, 1992) and others has helped in strengthening and adding to these concepts. We give below the reasons, which influence consumer complaints.
Marketing channel factors

a. Reputation of the seller:

Landon (1977a) suggests that if a firm is well known and has a strong image for quality and service, consumers will be more willing to seek redress through complaints.

b. Ease of access:

The consumer is more likely to make a complaint if it can be done conveniently (Day & Landon 1977)

c. Willingness to Provide Redress:

Perception of a store’s willingness to provide a remedy will induce consumers to complain (Granbois et al 1977). Some consumers seek redress or complain only when they are reasonably confident of obtaining a favourable outcome. (Day & Ash, 1979)

d. Perception of Firm’s Intentions:

Consumers who believe that a firm intentionally deceived them or acted to dissatisfy them would be more likely to complain than those without this perception (Kraft 1977)

e. Number of Available Sellers:

A complaint is more likely to be voiced if the product or service is available with only one seller (Didow and Barksdale 1982; Halstead 1990). If there were more sellers, the consumer would rather exit than take the trouble of complaining.
Recent research has confirmed that a complainer would take into consideration the reputation of the seller, his integrity and willingness to provide redress, as well as the convenience of lodging a complaint. The Equity theory as well as the Attribution theory have resulted from these perceptions.

Situational Factors

The situation-related factors, which affect complaining behaviour, could be divided into three categories: the product, the social climate and the importance of the situation.

a. The Product:

Consumer complaining would be more likely to occur when the product is expensive, durable, and easily returned or repaired (Day and Landon 1976,1977)

b. The importance of the situation:

“Importance” may be defined in various ways, not only in monetary terms. Landon, (1977a, p33) states that “satisfaction with products is not related to their cost, but the tendency to complain is”. Of particular significance is how essential an item is for daily living (Day and Landon 1977), for example, an automobile. It could also mean that the consumer has very high expectations for the product, which on not being met gives rise to complaints. Importance of the situation could also be linked to the
severity of the problem. The more severe the problem, the greater would be
the propensity of a consumer to complain.

c. The Social Climate:

“Climate” could be described on two levels – general and specific. In
1977, Landon reported that social norms were changing, making it more
acceptable for consumers to complain, hence complaining behaviour was
increasing. (Landon 1977b) On a specific level, one should consider the
degree to which public consciousness has been raised with regard to the
particular product or service. If the public is aware of what is being
investigated and why, it could provoke some consumer complaints
(Jacoby and Jaccard, 1981)

It is true that public willingness to complain has increased to a great
extent as the awareness and expectations of consumers regarding products and
services are much higher today than in the past, making it easier for a consumer
to come forward to lodge a complaint.

Consumer Related Factors

A number of consumer variables affect the consumer’s propensity to complain.
These include personality, attitudes, motives, values, level and sources of
information, lifestyle and demographics.
a. Personality:

Research has shown that consumers who complain tend to be more self-confident and assertive (Wall et al, 1977, 1979; Day 1978; Fornell and Westbrook (1979). Day and Landon (1976) also identified a personality trait which they called “propensity to complain”, and found that some consumers will complain more than others will, regardless of the product or situation. Locus of control is another important concept. Consumers who operate from an internal locus of control, i.e. who assume responsibility for their own actions and take their own decisions are less likely to complain than consumers who operate from an external locus of control and feel that their fate is controlled by external sources.(Landon, 1977a)

b. Attitudes:

Consumers’ attitudes toward Government and toward business could be related to their propensity to complain (Barnes and Kelloway 1980). Moyer (1985) found that complainers do not have more negative attitudes toward business than non-complainers. It has been observed that consumers with positive attitudes toward complaining have higher levels of complaint intentions (Bearden and Crockett 1981), self-reported complaint behaviour (Richins 1981), and decisions to seek third party redress (Singh 1989). Attribution theorists argue that when causes of dissatisfaction with product or service are attributed to external sources (e.g. retailer,
c. Motives:

Landon (1977a) describes a number of motives, which could lead to complaint behaviour. According to him, consumers complain in order to help themselves, to help others, to help the firm, to get even (with retailer or salesperson), to vent displeasure and get it "off their chest", to obtain an apology, and to obtain further information. It is not surprising that there seems to be a growth in professional complaining as it is seen that consumers complain if they feel they can get something out of it (Landon 1977a,). Russo (1979) states, "Many consumers will hassle the company in hopes of economic gain even if they themselves are to blame for the product failure".

d. Value of the consumer's time:

If consumers feel that the time spent on complaining could be better utilised in doing something else, their propensity to complain will not be high (Feldman 1976; Day 1978). Stokes (1974) analysed complaint letters and found that those individuals complain more that have spare time at their disposal.

e. Level and sources of information:

Research has established that consumers are more likely to complain if they have sufficient information about the product (Wall et al 1977), and are aware of how to lodge complaints (Day 1978; Day and Landon 1976).
Moyer (1985) found that complainers also tend to seek more information than non-complainers.

f. Lifestyle:

Not much empirical support has been found for any kind of lifestyle-complaining relationship, but Warland et al (1984) did find a significant relationship between level of community involvement and complaining.

That the motives, attitudes and lifestyle of customers do affect their complaining behaviour is seen also in the present research which is based on the difference in complaining behaviour of foreign and domestic tourists as perceived by hotel service providers.

g. Sociodemographics:

Stokes (1974) found that people who are highly educated and articulate are more likely to be complainers. It was also found that complainers tend to be younger and have above average income, education and social status. Research in complainer characteristics can be summed up below:
### Figure 4

<table>
<thead>
<tr>
<th>Consumer Characteristics</th>
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<tr>
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<td>1974</td>
<td>Stokes</td>
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<tr>
<td></td>
<td>1975</td>
<td>Liefield et al</td>
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<td></td>
<td>1977</td>
<td>Gronhaug</td>
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<td></td>
<td>1984</td>
<td>Warland et al</td>
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<tr>
<td></td>
<td>1985</td>
<td>Moyer</td>
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<tr>
<td></td>
<td>1987</td>
<td>Morganosky &amp; Buckley</td>
</tr>
<tr>
<td>Above-average income</td>
<td>1975</td>
<td>Liefield et al</td>
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<tr>
<td></td>
<td>1977</td>
<td>Gronhaug</td>
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<td>1984</td>
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<td></td>
<td>1985</td>
<td>Moyer</td>
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<td></td>
<td>1987</td>
<td>Morganosky &amp; Buckley</td>
</tr>
<tr>
<td>Younger (25-45)</td>
<td>1973</td>
<td>Miller</td>
</tr>
<tr>
<td></td>
<td>1975</td>
<td>Liefield et al</td>
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<tr>
<td></td>
<td>1976</td>
<td>Day and Landon</td>
</tr>
<tr>
<td>Managerial/Professional occupation</td>
<td>1975</td>
<td>Liefield et al</td>
</tr>
<tr>
<td></td>
<td>1977</td>
<td>Gronhaug</td>
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<tr>
<td></td>
<td>1986</td>
<td>Moyer</td>
</tr>
<tr>
<td>Upper class social status</td>
<td>1984</td>
<td>Warland et al</td>
</tr>
</tbody>
</table>

Research Done on Characteristics of Complainers  
(Source: Halstead (1990))
The present study proposes to offer another characteristic in the sociodemographics section of the factors underlying complaining behaviour. The research study is regarding customers of hotels in Goa and proposes to find out whether domestic guests complain more than foreign guests do. The characteristic could be termed as “citizenship status of consumer” [domestic vs. foreign].

TYPES OF COMPLAINEERS

Early research divided consumers into two categories only – Complainers and Non-complainers. Those who quit buying the product or patronising the service or engaged in negative word-of-mouth behaviour among friends and acquaintances were not taken into consideration. Only those who actively expressed their dissatisfaction to the marketer or to a third party (e.g. Better Business Bureau or Consumer Court) were considered complainers.

Singh (1990) made a distinction between complaint responses and complaint actions, and clarified that unlike actions, complaint responses imply all possible reactions to dissatisfaction. He divided complainers into four consumer clusters:

a. The passives – i.e. the non-complainers
b. The Voicers – i.e. those who complain directly to the retailer and have a more positive attitude towards complaining
c. The Irates — i.e. those representing angry customers who indulge in negative word-of-mouth
d. The Activists — i.e. those who complain to third parties, e.g. court, newspapers, consumerist agencies, etc.

According to him, the “Voicers” category is the most favourable one from the retailer’s perspective. This is because dissatisfied voicers neither engage in negative word-of-mouth nor do they switch patronage, but their complaints prove to be valuable feedback for improvement.

THEORIES OF COMPLAINING BEHAVIOUR

The theoretical background underlying who complains and why is described by the theories of complaining behaviour put forward by a number of people.

Theory of Exit, Voice, and Loyalty

According to Blodgett and Granbois (1992), A. O. Hirschman’s (1970) theory of exit, voice and loyalty provides the framework to understand what leads to complaining behaviour. It supplies the situational and personal factors used by other researchers to describe the relationship between dissatisfaction and complaining behaviour and provides an insight into the types of responses
consumers may take once dissatisfaction occurs. Hirshman's framework is quite broad, and can be used to describe other phenomena besides complaining behaviour. For example, he uses this framework to explain why some dissatisfied employees leave an organisation while others stay on in spite of better opportunities being available to them elsewhere. In his example Hirschman argues that it is the loyal employee who speaks up and complains about deteriorating work conditions, ill-conceived strategies, declining firm performance, etc. In the same vein, according to him, two types of responses are available to a dissatisfied buyer. He can shift his patronage to another firm, or he can express his dissatisfaction to the seller and seek redress for his complaint. The first response of the customer would be termed as 'exit'; in the second case, the complainer would be considered a 'voicer'. He explains that voice depends on one's willingness to complain which in turn depends on the value of voicing the complaint times the probability that the complaint will be successfully redressed. Exit, in contrast, is negatively related to the ability and willingness to take up the voice option and is often resorted to when the voice option has been unsuccessfully used. Whether a customer exits or complains, depends on whether he is loyal to the firm. He often chooses to stay and complain, in the hope of turning that organisation around. Hence we could say that it is the loyal customer who chooses to complain to the seller in the hope of improving the product or service. These loyal customers feel a certain attachment to the store and thus would be more likely to give the seller a 'second chance'. Hirschman points out that the cost of voice in terms of time and money must also be considered, and
states that voice tends to be costlier than exit. It is the loyal employee who is more likely to threaten to exit, in the hope that this threat will cause the firm to finally recognise and address the problem. The non-loyal employee (as also the non-loyal customer,) however, will just quietly leave the organisation without any warning, in which case the firm is not explicitly made aware that a problem exists.

Considering the vast number of products purchased by a consumer, which are not very ‘important’, the cost of voicing a complaint is usually greater than the benefit of the remedy desired. Hence consumers would complain in case of a more expensive durable good, and quietly exit in case of an inexpensive, non-durable item. Recent CCB research is quite consistent with this theory. The ‘value of voicing the complaint’ factor is manifested in the product-importance construct (Richins 1985) as well as in Singh’s (1990) worthwhileness of the complaint construct, while the ‘probability that the voice will be successful’ is seen in the likelihood of success construct (Day & Landon 1976; Granbois et al 1977; Day 1984; Richins 1983a, 1985 1987; Singh 1990). The ‘ability and willingness to take up the voice option’ is found in the attitude toward complaining construct of Richins (1980, 1982) and Bearden & Mason (1984).

This theory has a significant bearing on the present research, as it seems to be the loyalty factor in a tourist, which makes him complain, in the hope of improving the situation at hand.
Expectations Theory

The expectations-based approach posits that satisfaction judgements are a positive function of consumer pre-purchase beliefs about the overall performance or attribute levels of a product (La Tour & Peat 1979). Expectations provide a standard or frame of reference against which satisfaction judgements are made. If expectations are met, it leads to satisfaction; dissatisfaction results if expectations are not met, and complaining behaviour follows this. Expectations have been defined as the consumer’s pre-purchase predictions of what product performance will be (Day 1983).

Miller (1977) has suggested that four types of expectations could form the basis for comparison: the ideal, the expected, the minimum tolerable and the desired. Many researchers support the expectations theory, for they feel that consumer choice is guided either explicitly or implicitly towards choice of objects on the basis of anticipated performance or expectations.

a Ideal/desirable performance (what the product or service can be): this standard represents the optimal product performance a consumer would hope for.

b Equitable or deserved performance (What the product or service should be): This standard represents the level of performance the consumer ought
to receive, given a perceived return of costs.

c Expected performance (What the product or service will be) A product’s
Most likely performance is presented by this standard It is the most-used
pre-consumption comparison standard in consumer satisfaction/
dissatisfaction research (Oliver, 1980; Oliver and Linda 1981).

d. Minimum tolerable performance (What the product or service must be):
The product should at least meet a certain minimal tolerable performance
guidelines (La Tour and Peat 1979).

This theory too has an impact on the present research, because it appears that the
high expectations of domestic tourists turn into disillusionment and give rise to
complaining behaviour.

**Disconfirmation Theory**

This approach to consumer satisfaction argues that satisfaction formation is a
function of the size and direction of disconfirmation beliefs (Cardozo 1965).
According to this theory, consumers are believed to form expectations about a
product prior to purchasing the product (Oliver 1980). Expectations are defined
as “a consumers' beliefs that a product has certain desired attributes”. Subsequent
post-purchase usage then reveals to the consumer the actual performance of the
product. The consumer then compares this post-purchase evaluation with the
expectations held prior to purchase. If the product performed better than
expected, 'positive disconfirmation' is expected to occur. This leads to consumer satisfaction, and strengthens consumers' beliefs, attitudes and future purchase intentions. If however, in the consumers' evaluation, the product performs worse than expected, negative disconfirmation occurs. If the product performs as expected, the judgement of the consumer is labelled 'simple confirmation' (Oliver and DeSarbo 1988). Simple confirmation and Positive disconfirmation are considered to bring about states of satisfaction, while negative disconfirmation leads to dissatisfaction (Swan & Combs, 1976). This dissatisfaction may be manifested through different forms of CCB.

Positive disconfirmation could give rise to a situation of surprise and delight to some customers while negative disconfirmation could be the cause of complaining behaviour of consumers in this research study.

The Perceived Performance Theory

While the expectations - disconfirmation paradigm has been widely used in satisfaction/ dissatisfaction research, there may be certain conditions when this construct alone may fail to fully explain the consumer satisfaction/ dissatisfaction formation process (LaTour and Peat 1979, Tse & Wilton and 1988). Churchill and Suprenant (1982) argued that under certain conditions, it might not be necessary to include disconfirmation as an intervening variable affecting satisfaction. Their very interesting results indicate that the processes consumers
use to reach satisfaction judgements may differ for durable and nondurable products. In the case of a nondurable product, the traditional expectation-disconfirmation relationships held. For a durable product, however, consumers' satisfaction judgements were solely determined by the performance of the product and were totally independent of their initial expectations.

As 'service' is a non-tangible offering this theory does not seem to have much bearing on the present research study.

**Equity Theory**

The fundamental idea behind equity theory is that in a social exchange situation consisting of two persons or parties, each is presumed to compare his relative gains to the perceived relative gains of the other. Equity exists when the perceived net gains of each one are equal to the other. Equity theory was first stated by Adams (1965) and is based on the relationship between the costs an individual expends in the transaction and the anticipated rewards. *Whether a person feels equitably treated or not may depend on various factors including the price paid, the benefits received, the time and effort expended in the transaction and experience with previous transactions* (Woodruff, Cadotte and Jenkins 1983; Tse and Wilton 1988).

Recent research has briefly considered such situations, but the scope for future research and extension of this model is considerable. Especially notable studies
in this area have been those of Fisk and Coney (1982), Goodwin and Ross (1989), Mowen and Grove (1983), Fisk and Young (1985), Oliver and Swan (1989) and Oliver and Desarbo (1988). Fisk and Coney (1982) found that consumers were less satisfied and had a less positive attitude towards a company when they heard that other consumers received a better price deal and better service than when they felt that they were equitably treated.

This theory would seem to have an impact on the present research study, as the consumers would compare their gains with the price paid and make relative satisfaction judgements of the hotel offerings.

**Assimilation Theory**

This theory initially put forward by Sherif & Hovland, (1961) was used by Andreasen (1977) to explain how consumers report satisfaction *even when prior expectations are not met*. Under Assimilation theory, consumers’ satisfaction judgements will tend to assimilate or move toward the original expectation level if the discrepancy between expectations and product performance is not extreme. If there is a large discrepancy, it may result in complaining behaviour.

This theory does not appear to greatly affect complaining behaviour of customers in the present research, as other considerations seem to have a greater impact on the same.
Attribution Theory

The Attribution theory was put forward by Krishnan and Valle (1979) and finds support in the works of Valle and Wallendorf (1977), Richins (1983a), Folkes (1984), and Francken (1984). This theory suggests that people are rational information processors, whose actions are influenced by causal inferences (Folkes 1984). In other words, when people are dissatisfied with a product, they try to determine the cause of the dissatisfaction and assign responsibility for it. If blame is attributed to the marketer, the consumer will engage in CCB but not if he attributes blame to self. Findings indicate that the more external, the more stable and the more controllable the attribution, the greater the likelihood of engaging in complaining behaviour. Folkes (1984) shows that consumers who attribute product factors to the manufacturer or store tend to engage more in seeking refunds than to take no action. Some aspects of this theory are:

1. Locus of Causality (internal or external) - The purchase outcome can be attributed either to the consumer (internal) or to the marketer or something in the environment or situation (external). Complaints will arise if the locus of control is external.

2. Stability (stable/permanent or unstable/temporary) - Stable causes are thought not to vary over time, while unstable causes are thought to
fluctuate and vary over time. The stability of the situation would give rise to complaints from customers.

3. Controllability (volitional/controllable or nonvolitional/constrained) - Both consumers and firms can either have volitional control over an outcome or be under certain uncontrollable constraints. If an event were controllable, it would impact the propensity of a customer to complain.

These dimensions are generally thought to be dichotomous (Weiner 1980), although there has been some discussion of them being perceived on a continuum (Folkes 1984). A consumers' response to a situation depends on the attributions he/she makes. Complaints arise when the failure is attributed externally, when the causes of the failure are stable and when they are controllable. This is seen also in the present research, where complaints seem to be attributed to the insincerity of the tour operators.

In conclusion, the areas in which CCB research has been done can be summed up in the table given in figure 5.
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<thead>
<tr>
<th>Subject</th>
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<td>Richins</td>
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<td>Perceived likelihood of success</td>
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<td>Day &amp; Landon</td>
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<td>Product importance</td>
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[Source: Compiled by this researcher from various issues of Journal of Consumer Satisfaction, Dissatisfaction & Complaining Behaviour – online]
Summary of CCB literature

The factors contributing to complaining behaviour have been described in the present chapter and it was noted that though dissatisfaction is not a necessary condition to give rise to complaints, it seems to be the major reason why complaints occur. The theories underlying complaints and complaining behaviour have also been reviewed to gain a better understanding of the topic under consideration. The following chapter gives the process, which was followed in the present research study, to arrive at the hypotheses which were actually taken up for testing.