

A THEORETICAL MODEL FOR UNDERSTANDING SATISFACTION/DISSATISFACTION OUTCOMES
OF COMPLAINT RESPONSES

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Abstract

Studies exploring satisfaction/dissatisfaction as outcomes of complaint responses have been generally scant in the literature. However, TARP research (1985; 1979) suggests that an investigation into the conditions under which complaints can be converted into satisfaction appears critical for marketing effectiveness. To help guide such an investigation, this paper proposes a theoretical model of processes that underlie the complaint response ---> satisfaction/dissatisfaction link.

Introduction

Much of the consumer behavior/marketing literature has tended to focus on satisfaction/dissatisfaction (S/D) as outcomes of consumption experiences (Oliver 1980; Bearden and Teel 1983). That is, most researchers attempt to explain if a consumer is likely to be satisfied (or dissatisfied) after he/she purchases and consumes the product/service. More significantly, the dissatisfaction outcome is generally viewed as an unfortunate but, in the short run, an uncontrollable incident. That is, it is often held that dissatisfaction is something which retailers and manufacturers can address only in future consumption experiences. Yet there is a small but growing body of literature which suggest otherwise. Specifically, retailers and manufacturers can proactively manage consumer dissatisfaction and in the process achieve long term gains.

TARP (1986; 1979) studies provide compelling empirical evidence in support of the preceding argument. For instance, 54.3% of the dissatisfied consumers surveyed stated they would repurchase when their complaints were resolved satisfactorily (TARP 1986). In contrast, less than 20% had intentions of repurchase when the dissatisfaction was either to communicated to the seller or the complaint was not resolved satisfactorily. Such findings lead Etzel and Silverman (1981) to posit that proactively managing dissatisfactions "not only prevents the loss of business but actually builds loyalty among customers" (p. 130). Thus it appears critically important that marketers institute programs that convert consumer dissatisfactions into satisfaction, and perhaps, loyalty.

Despite its importance, research into issues about of, what complaint resolution mechanisms under which conditions are successful, and why, has remained largely unexplored. This is possibly due to a lack of a theoretical model that explains satisfaction/dissatisfaction (S/D) as outcomes of complaint responses. In order to address this issue, this paper reviews previous studies in order to offer suggestions in developing a model to study the focal phenomenon.

What Occurs Once Consumers Complain?: A Review

Several recent studies have attempted to review the literature centered around questions along the lines of, "how do consumers attain a state of satisfaction or dissatisfaction following a consumption experience?" (Oliver 1980; Oliver 1981), and "why do consumers complain (or not) the way they do?" (Singh and Howell 1985; Robinson 1979). In contrast, reviews of "what occurs once consumers complain?" are conspicuous by their absence. This absence is perhaps symptomatic of the lack of research into this important phenomenon. Spurred by TARP (1979) studies, several recent searches are attempting to fill this gap (e.g., Gilly 1987; Gilly 1979; Gilly and Gelb 1982; Resnik and Harmon 1983). A review of these studies is appropriate here.

Many of the earlier studies were based on the notion that satisfaction/dissatisfaction (S/D) feelings directly affect complaining responses and future attitudes (Oliver 1980; Bearden and Teel 1983). Such a conceptualization is sometimes likened to a direct-effects model (Singh and Howell 1985). Further, this model posits that dissatisfaction (satisfaction) affects future attitudes and intentions negatively (positively).

Andreasan (1977), however, felt that while the effects of satisfaction may be direct, the outcomes of dissatisfaction are not as easily understood. Specifically, he distinguished between initial S/D feeling and final S/D. Initial feelings result when consumers evaluate the product/service performance in light of their expectations. The disconfirmation of expectations paradigm affords a theoretical framework to understand the preceding evaluation (Oliver 1980;

Latour and Peat 1979). In contrast, final S/D feelings are proposed to result from possible complaint responses, and the way such complaints are resolved. Andreassen (1977) observes that the initial S/D as a measure of overall satisfaction/dissatisfaction "clearly ignores sellers' complaint handling mechanisms. Thus, in some contexts what we shall term as final satisfaction may be the preferred measure since it adjusts initial dissatisfaction by subsequent satisfactions." (p. 13).

Although the complaint behavior process (i.e., dissatisfaction --> complaint response relationship) is beginning to receive research attention (Day 1984; Richins 1983; Singh and Howell 1985), the understanding of complaint response --> final satisfaction/dissatisfaction link is a relatively neglected area. Studies by Gilly (1979), Gilly and Gelb (1982) and Resnik and Harmon (1983) have attempted to understand consumers' expectations of sellers' responses once they have registered a complaint. If expectations are confirmed, satisfaction is hypothesized to follow.

Studies conducted by TARP (1979; 1986) appear to provide evidence in support of complaint response final S/D future attitude links. TARP reports that about 54.3% of the customers surveyed remained loyal (i.e., had positive attitudes) when their complaints were resolved. In contrast, over 80% of dissatisfied buyers did not repurchase when either they chose to complain or their complaints were not handled satisfactorily. Although these results underscore the importance of the preceding links, one is less clear about what complaint resolution mechanisms in which conditions are successful, and why. This is possibly due to a lack of a theoretical framework that models these links. A brief discussion of the suggestions for a theoretical framework follows.

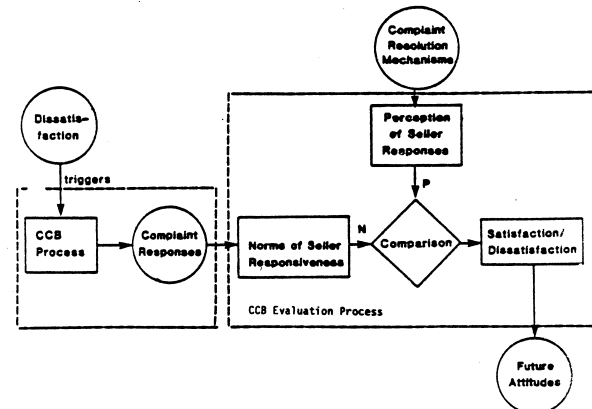
Some Suggestions for The Proposed Framework

Figure 1 depicts an overview of the evaluation process that is hypothesized to follow consumer complaint responses (CCB). These responses on the part of the consumer trigger the whole process. If an individual does not engage in one or more complaint responses, subsequent elements do not come into play. Why dissatisfied consumers engage in specific complaint responses is probably based on a complex decision-making process, which includes expectancy of outcomes, costs and benefits involved, attributions of blame, and attitude toward the act of complaining (see Robinson 1979; and Singh and Howell 1985 for

reviews). Several researchers have attempted to model the preceding process (Day 1984; Richins 1979; Folkes 1984). Based on these studies, the proposed framework accepts that different individuals may engage in different and multiple complaint responses (CCB) in very similar situations. Further, the specific complaint response selected is hypothesized to directly affect the CCB evaluation process.

Figure 1

An Overview of the CCB Evaluation Process and Its Outcomes



Several researchers observe that consumers most likely engage in multiple complaint responses; ranging from exit to legal action (Day et al. 1981; Day 1984; Richins 1983). Because of this multiplicity, the issue of the dimensionality and conceptualization of the CCB construct is critical from the perspective of models that are triggered by CCB responses¹. In other words, the motivating effects of CCB dimensions on the evaluation process would have to be specified.

Recent research, (Singh 1988) shows that CCB can be categorized into three distinct dimensions: (a) voice responses, that is, actions directed toward the seller, (b) private responses, involving exit and informal word-of-mouth communication with friends and relatives, and (c) third party responses, which include formal complaint actions to parties other than the seller, such as Better Business Bureau and legal redress (see Singh 1988 for a formalization of CCB taxonomy).

It is apparent that private CCB responses would most likely not involve an evaluation process. Such responses are characterized by an absence of seller's responses, thus a comparison cannot occur (Figure 1). In contrast, voice responses provide a direct opportunity to a retailer/manufacturer to respond to an individuals specific complaint. In

this situation, the evaluation process of **Figure 1** is evoked. In regard to the third party responses, it is hypothesized that the proposed evaluation process is operative, but this process is moderated by third party agencies. This occurs because when consumers take their complaints to third party agencies, such agencies act as channels through which sellers respond to consumer complaints. Thus voice and third party responses trigger the evaluation process, whereas private CCB does not. Because previous research has not treated CCB as a multi-dimensional construct, the suggested role of CCB dimensions in triggering the evaluation process should be treated as a testable hypothesis.

In addition, **Figure 1** presents a comparison process that is modeled after the confirmation/disconfirmation of expectations paradigm (Oliver 1980; Oliver 1981; Oliver and Bearden 1985). This paradigm represents a systematic integration of comparison level theory (Thibaut and Kelly 1959), adaptation level theory (Helson 1959) and the assimilation contrast theory (Sherif and Hovland 1961). Before a dissatisfied consumer engages in one or more complaint responses, he/she has some cognitions about how the seller should respond to his/her complaint actions. This normative level of sellers' responsiveness is rooted in the comparison level theory (Thibaut and Kelly 1959; Latour and Peat 1979). The normative level is conceptualized as an individual consumer's cognitions about how a retailer or manufacturer should respond to specific complaint responses. As suggested by the comparison level theory, the normative level is not necessarily a function of specific complaint episode. In fact, the normative level is hypothesized to represent an individual's perception of a "desired" or "deserved" level of seller's response despite the earlier dissatisfaction (which led to complaint responses) in regard to the same seller (Oliver 1981).

In notational form, the CCB comparison process can be expressed as:

$$D_{ij} = [P_{ij} - N_{ij}]$$

where:

D_{ij} = Discrepancy or the degree of confirmation or disconfirmation of seller i 's perceived response to complaint action j compared with the normative response value.

P_{ij} = perceived response of seller i to complaint action j .

N_{ij} = normative level for response for seller i to complaint action j .

Three possible states for D_{ij} are proposed. When the two levels (N and P) are equal, the normative response is said to be confirmed. Further, a distinction should also be made between positive and negative disconfirmation if the perceived response is higher than or lower than normative level respectively.

Emotional feelings of satisfaction/dissatisfaction are hypothesized to be the outcomes of the CCB evaluation process. Specifically, when the normative response is confirmed (i.e., $P = N$), this will result in satisfaction and reinforcement of the normative level, expectancy level and the attitudes construct.

Unusually good or bad perceived levels would have a greater likelihood of resulting in strong emotional feelings. Positive disconfirmation ($P > N$) would yield a strong satisfaction feeling, whereas negative disconfirmation (i.e., $P < N$) would result in a strong dissatisfaction state. Oliver (1981) refers to such feelings as elements of "surprise". Typically, S/D feelings are not global but specific to a context (e.g., seller, situation).

Indeed, these "surprise" feelings of S/D are hypothesized to be assimilated into an individual's attitudes, resulting in either reinforcement of previously held beliefs or an attitude change (Oliver and Bearden 1985; LaBarbera and Mazursky 1983). Disconfirmation is expected to be associated with attitude change, and in the direction of surprise. Thus negative (positive) disconfirmation is proposed to influence a negative (positive) attitude change toward the focal product/seller.

Conclusion

The synergistic effect in treating complaint responses and the consequences of such responses in a well specified model is likely to provide rich ground for research. However, further investigation would be most rewarding if it follows a well defined program of research. Specifically, we recommend that the theoretical model should be more fully developed based on the suggestions provided here. This model should be able to explain previous research, be based on sound theoretical principles, and should offer compelling insights for new directions of research. We urge future researchers to address this gap.

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