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Complaint Resolution Management Expectations

in an Asymmetric Business-to-Business Context

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Abstract

Purpose – The purpose of this paper is to gain a deeper understanding of the attributes of effective complaint management in business-to-business relationships, and to reveal the underlying benefits that buying organizations are looking for when complaining.

Design/Methodology/Approach – A semi-standardized qualitative technique called laddering was applied successfully to an online environment with twenty-two representatives of companies in the manufacturing industry participating.

Findings – The resulting hierarchical value map displays thirteen attributes which exemplify the complaint resolution management expectations. Fourteen constructs represent consequences of such resolution activities, while four constructs can be interpreted as values. Take Quick Action is the most important of the expected attributes and behaviours of complaint resolution management. Four consequences seem to dominate the assessment: Financial Benefits, Prevention of Future Problems, Solution, and Effective Resolution Handling. Maintain Supplier Relationships appears as a dominant value in the perceptions of respondents, with half of them mentioning this as an end.

Research limitations/implications – Due to the exploratory nature of the study in general and the scope and size of its sample in particular, the findings are tentative in nature. The study involved a group of representatives of large UK manufacturing companies with complaint handling responsibilities and so the results cannot be generalised.

Originality/value – Our findings enrich the existing limited stock of knowledge on complaint management in business relationships by developing a deeper

understanding of the attributes that complaining customer companies desire from suppliers, as well as the underlying business logic (i.e. values) for these expectations. The quality of the results also suggests that the laddering questionnaire technique can be transferred effectively to an online environment.

Complaint Resolution Management Expectations

in an Asymmetric Business-to-Business Context

Considerable research exists regarding the importance of inter-organisational relationships in business-to-business marketing (Andersen *et al.,* 1994; Deshpande *et al*., 2000; Ford *et al.,* 2003 Ordanini *et al*., 2004; Ulaga and Eggert, 2006). However, while some issues about the dynamics and the development of such business relationships have been the focus of research, e.g. in the area of relationship life-cycles (Ford 1980; Lambe *et al*., 2000), the particular interaction patterns between companies which result in business relationships are insufficiently conceptualized (Möller and Halinen, 1999; Uzzi, 1997).

One important aspect of such interaction patterns relates to the issue of problems in business relationships, i.e. when things go wrong in an otherwise close and important business-to-business relationship (Holmlund-Rytkönen and Strandvik, 2005; Schurr, 2007). Complaint behaviour and complaint management become pivotal managerial challenges under such circumstance to ensure that the relationship continues. In fact, complaints effectively give a supplier company a second chance; if complaints are dealt with effectively by its complaint resolution management, the company should be able to recover and even enhance the relationship. By voicing their concerns, complainants show they are still interested in continuing the relationship, and the supplier has an opportunity to solve the problem such that costs (like negative word-of-mouth, switching to other service providers and causing lost turnover), can be prevented or at least minimized. Hansen *et al.* (1996b) identified in this context two classifications of complaints, 'positive' and 'negative', in order to provide some suggestions for complaint management. Negative complaints include

switching suppliers and negative word-of-mouth as well as complaints that harm the supplier's reputation. Positive complaints include requesting that the supplier takes care of the problem, keeping the (faulty) offering and informing the supplier, returning the offering for replacement or refund, or reworking and charging costs back to the supplier.

Inter-organizational complaint resolution management is therefore of particular importance for maintaining business relationships. Managerial challenges arise from understanding how the companies involved, especially the suppliers, should behave to recover such a situation, i.e. they need to know what expectations the complainant has regarding the handling of its complaint. For this purpose, the complaint management attributes which are desired by the complaining party have to be identified. It is of pivotal importance to analyze *why* a certain complaint management attribute is of positive value to the complaining party, and also how addressing a specific complaint provides the buying company with satisfaction and value, thereby contributing to continuing the business relationship (Hansen *et al.*, 1996b; Homburg and Fürst, 2005). This knowledge is especially important in cases of asymmetric relationships, i.e. when the customer company is a large and powerful firm (Jarratt and Morrison, 2003; Hingley, 2005).

By using a semi-standardized qualitative laddering technique, our paper enhances the understanding of how powerful buying companies operating within close business relationships with suppliers expect their complaints to be handled effectively. Additionally, we link the identified complaint management attributes to desired higher-level company values. Thus, our paper contributes to the understanding of business relationships in general, and to the business complaint management literature in particular.

Our study will proceed as follows: We begin by reviewing the literature on business-to-business complaint behaviour and management. We then describe a study that uses an on-online version of the qualitative laddering technique to develop a deeper understanding of the attributes of effective complaint management in business-to-business relationships, and to reveal the underlying benefits that buying organizations are looking for when complaining. The paper concludes with a discussion of the study results and the implications that these findings have for management and further research in this area.

Understanding Business Complaint Behaviour and Management

While the complaint behaviour and management literature is well developed in business-to-consumer marketing (Johnston and Mehra, 2002; Tax *et al.*, 1998; Tronvoll, 2007), research findings in business-to-business marketing are sparse. This is surprising given the importance of effective relationship management in the business-to-business literature (Håkansson and Ford, 2002; Low and Koon, 1997; Ojasalo, 2004). However, existing research mainly focuses on comparing the way in which organizations handle complaints on the one hand, to the effect this has on buyer satisfaction on the other (Durvasula *et al.*, 2000). Homburg and Fürst (2005, p. 108) maintain that "*after a complaint, loyalty depends essentially on complaint satisfaction and not as much on satisfaction that has cumulated over time*".

A number of studies specifically investigate business complaint behaviour. A good starting point for research in this area is Trawick and Swan's (1981) proposed model of satisfaction within industrial *complaining behaviour*, consisting of process and attitudinal variables. A number of further studies (e.g. Dart and Freeman, 1994; Hansen, 1997; Hansen *et al.*, 1996a, 1996b, 1997a, 1997b; Hicks *et al.*, 1996;

Williams and Rao, 1980) provided further contextual clarifications. For example, a comparison between Dart and Freeman's (1994) and Singh's (1990) original complaint typology for end consumer behaviour shows differences between business buyers and final customers. The group exhibiting passive complaint behaviour, i.e. whose intentions to complain were below average on all factors, represented the biggest cluster with forty-two per cent of the business sample, as opposed to only fourteen per cent of Singh's end consumer sample. Williams and Rao (1980) discussed organizational buyer dissatisfaction *vis-a-vis* complaining behaviour and propose a model of buyer complaining behaviour. They singled out individual/behavioural components of the buying managers, situational elements, buyer's organizational structural variables, type of purchase and dissatisfaction as antecedents influencing complaint behaviour. Similar types of business complaint behaviour have been identified by Hansen and colleagues: *complainers*, *wait and squawkers*, and *activists and squawkers*. Seller-buyer communication characteristics as well as dependency on the business relationships can predict the complaint behaviour in terms of these groups (Hansen *et al.* 1996a; Hansen *et al.*, 1997b), as does the relative power position between buyer and seller (Hansen, 1997). Based on this, Hansen *et al.* (1997a) develop a model of industrial complaint behaviour. This includes situational influences such as goal incompatibility, coercive/noncoercive power relationships, and poor communications, as well as purchase type as independent variables.

While some authors investigate complaint behaviour in business-to-business settings, studies focusing specifically on the selling company's *complaint management* are scarce. Homburg and Fürst (2005), who analyzed business-to-business as well as business-to-consumer complaint management, found that a

mechanistic approach based on establishing guidelines, and an *organic approach* based on creating a favourable internal environment, had a significant impact on satisfaction levels of the complaining customer. However, the mechanistic approach showed a stronger overall impact, which was more pronounced in business-to-consumer compared to business-to-business settings, and with service firms compared to manufacturing firms.

Moreover, Perrien *et al.*'s (1995) research specifically stresses the important role of front line employees. Analyzing the dissolution process of business relationships, they showed that account managers attributed more than ninety per cent of disengagement decisions to the behaviour of their own (selling) organization, with the main responsibility resting on unsatisfactory internal management and complaint procedures. The business-to-consumer marketing literature also stresses the importance of frontline employees for dealing with complaints: Skilled and trained customer contact employees are critical players in the recovery from failures (Bell and Luddington, 2006; Boshoff and Allen, 2000; Kau and Loh, 2006; Maxham and Netemeyer, 2003) and Hartline and Ferrell (1996) for example believe that the behaviours and attitudes of customer contact employees primarily determine the customers' perceptions of service quality. Other studies also stress the importance of the human interaction element (Chebat and Kollias, 2000). Similarly, Bitner *et al.* (1994) recognized that satisfaction is often affected by the nature of the interpersonal interaction between the customer and the contact employee.

In summary, the current knowledge about the motivations for and expressions of business complaint behaviour as well as the expectations regarding complaint management and resolution characteristics by business customers is rather limited. Generally, more studies exist on issues of complaining behaviour than complaint

management, i.e. how companies should deal with complaints effectively within a business relationship. Although Hicks *et al.* (1996) emphasized the importance of buyer involvement in resolving complaints successfully, no rigorous and comprehensive understanding of the *drivers* of effective complaint management has yet been developed. For such a conceptualization to exist, the link between expected complaint resolution attributes and buyer's value perceptions as part of means-end considerations need to be investigated, and therefore represent the aim of this study.

Research Methodology and Design

Our research is exploratory in nature with the aim of analyzing customer expectations in close asymmetric business relationships regarding important aspects of complaint resolution attributes. In line with research done on similar topics in the business-to-consumer area (Gruber *et al.*, 2006), the qualitative laddering technique was used that is described in detail in the next section.

Laddering Approach

Laddering techniques and their foundation in means-end theory have only been used sparsely for research in business-to-business contexts and only isolated studies exist. Ringberg and Gupta (2003), for example, used the laddering technique for investigating loyalty drivers of business customers. Furthermore, Jarratt (1998) used unstructured laddering interviews to study the nature of regional business alliances. Davis-Sramek *et al.* (2007) used means-end theory with a small sample of ten respondents to explore supply chain partners' value matches and mismatches.

It is somewhat surprising that this well-established qualitative research technique has been neglected in this area, as it is widely used in consumer research.

Predominantly used for brand or product positioning issues (Gutman, 1982; Olson and Reynolds, 1983), the laddering technique has also recently been applied to research areas such as sales management (Deeter-Schmelz *et al.*, 2002), services marketing (Gruber *et al.* 2009ab; Gruber *et al.*, 2006; Voss *et al.*, 2007), and new product development (Reppel *et al.*, 2006).

In general, laddering is used to reveal the relationships which exist between the attributes of products, services or individuals ("means"), the consequences these attributes have for the respondent (e.g. a customer), and the personal values or beliefs which are strengthened or satisfied by the consequences ("ends") (Reynolds and Gutman, 1988). *Attributes* are the tangible and intangible characteristics of an offering (in our study a complaint resolution). *Consequences* are the reasons why certain attributes are of importance to the individual. They are, according to Gutman (1982), the psychological, physiological or process results that people think they can achieve by using the product or service (in our study, by achieving a certain complaint resolution result). *Value*s are the customers' universal life and company goals. According to Rokeach (1973), values represent the most personal and general consequences individuals or organizations are striving for. Consequences (a midlevel of abstraction) are more relevant to the self (i.e. a consumer, manager, or organization) than attributes (low level of abstraction); values (high level of abstraction) are in turn more relevant to the self than consequences (Olson and Reynolds, 1983). Effectively this 'logic chain' describes a movement towards increasingly higher levels of abstraction and *desired ends*, reflecting progress from the offering to aspects of customers' and companies' self concepts and basic motivations (Gutman, 1997).

Laddering usually involves semi-standardized personal in-depth interviews, with the interviewer asking probing questions to uncover attribute-consequence-value chains (i.e. 'ladders'). For this purpose, the interviewer repeatedly asks why an attribute, a consequence, or a value is important to the respondent, with the answer acting as the starting point for further questioning, until saturation is reached.

In our study we decided to use a so-called *hard laddering* approach, done via questionnaires. This can be distinguished from soft laddering (Botschen and Thelen, 1998), utilizing in-depth interviews where respondents are minimally restricted. In both cases, researchers gauge the meaning of the answers and develop a means-end model (Grunert *et al.*, 2001). Hard laddering utilises a more systematic data collection technique such as structured interviews and questionnaires.

While the majority of published means-end studies (specifically in business-to-consumer research) have used soft laddering based on interviews, some researchers have also used questionnaires to collect laddering data (Walker and Olson, 1991). Botschen and Hemetsberger (1998) advocate hard laddering as it reduces interviewer bias and minimizes social pressure on the respondents who can decide when they want to end the laddering process. Furthermore, it is a much more cost- and time-efficient data collection method that is easier to manage. Data collection and analysis are also quicker with hard laddering than with soft laddering. Several researchers (e.g. Botschen and Hemetsberger, 1998; Botschen and Thelen, 1998; Goldenberg *et al.*, 2000; Pieters *et al.*, 1995) have employed a paper-and-pencil version successfully. In this study, we decided to use questionnaires instead of conducting personal interviews, and each respondent received a detailed laddering explanation that was developed from existing instructions (Botschen and Hemetsberger, 1998; Pieters *et al.*, 1998).

Study Design

We decided to collect laddering data online for our study. This approach has several benefits: Researchers do not have to recorded and transcribe laddering questionnaires as the collected data is already in electronic form. Furthermore, the whole process may be less stressful and more convenient for respondents as they can fill in the laddering questionnaire either at home or at work in a familiar environment (Wood *et al.,* 2004). Initially we tested a laddering questionnaire attached to an email. We decided not to use this approach as it has several disadvantages: Potential respondents could decide not to download the attached questionnaire fearing that they could get a virus in doing so. Further, respondents may not possess the necessary programme (e.g. Adobe Acrobat or Powerpoint) to open and fill in the document. Finally, respondents would have to send back the filled in document, which they could consider too demanding or time consuming (Gunter *et al*., 2002).

We consequently decided to create a website (www.mbs.ac.uk/business-relationships) that hosted the questionnaire. For our online laddering questionnaire, we firstly developed a detailed laddering explanation that was extensively pre-tested. Secondly, using a commercial list of the UK manufacturing industry, we randomly selected buying companies with more than 500 employees and telephoned managers with responsibility for supplier relationship management. Positions included were for example purchasing managers, organizational buyers, and supply controllers. Thirdly, if a manager agreed to participate in our study, we sent him/her an email with a link to our online-questionnaire, which we developed and pre-tested according to suggested quality characteristics (Sheehan and McMillan, 1999; Tse, 1998).

The questionnaire itself was framed in such a way that respondents were asked to think about particularly close asymmetric supplier business relationships. We then

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asked them to specifically focus on those relationships in which they had also experienced problems. Respondents had to think about how they and their company would have liked their complaints in these situations to have been addressed. In particular, respondents were asked about how suppliers ought to handle their complaints and what kind of qualities or complaint management characteristics they would expect. For this purpose, respondents were asked first to write down the three most important attributes or characteristic of a supplier in addressing a complaint. They were urged to be as specific as possible. Respondents were presented with three free text boxes on the computer screen to type in their chosen attributes, which then were referred to in the following laddering questions. On the next computer screen, respondents had to fill in an open text box regarding why the first attribute they had just identified was important to them. For this purpose they were, for example, asked "Could you please explain to us what you mean by "Quick to undertake preventive and corrective actions" and why exactly this is important to you and your company in the case of a complaint?" In a second text box, respondents then had to specify again why what they indicated in the first box is important to them. Respondents were then asked to complete a third and any additional boxes (if necessary) in the same way. After having completed this laddering process for the first attribute, respondents repeated the same process for the second and third most important supplier attributes as well. The following figure illustrates the laddering process:

Insert Figure 1 about here

Data Collection
Reynolds *et al.* (2001) recommend that laddering studies should, as a rule of thumb, include at least 20 respondents. Such a sample size can give a significant

understanding of the main attributes, consequences, and values of products, services or people. Thus, twenty-two questionnaires were used for our final analysis.

We conducted further interviews to ensure that a certain degree of similarity existed between our respondents (Moore and Tarnai, 2002). Although this research is qualitative and exploratory, this check was necessary in order to satisfy a specific prerequisite of laddering analyses: analyzing means-end ladders requires a relatively homogeneous response set (Grunert and Grunert, 1995), and thus the researcher needs to control carefully the comparability of the responding companies. These further interviews established a sufficient level of homogeneity between the respondents.

Data Analysis

The collected laddering data were analysed in three stages, as recommended by Reynolds and Gutman (1988). Firstly, sequences of attributes, consequences and values (the 'ladder') were coded to make comparisons across respondents. For this purpose, the decision-support software program LADDERMAP (Gengler and Reynolds, 1993) was used to categorize each phrase from the questionnaire as either an attribute, consequence, or value. During this first phase meaningful categories were also developed so that comparable phrases and data points could be grouped together. Coding was an iterative process of (re)coding data, splitting and combining categories, generating new or dropping existing categories, in line with content analysis techniques (Krippendorff, 2004; Strauss and Corbin, 1998). Following the approach of Gengler and Reynolds (1995) suggesting fifty categories, we developed specific codes for the first analysis and then combined them until a manageable number (fifty-seven: 24 attributes, 28 consequences, and 5 values; see table 2) was reached. Categories were identified through phrases and key words that respondents

used in the online laddering questionnaires, as well as from concepts derived from the literature review and an adaptation of the Schwartz (1992) value list which provides an overview of generally held values. In this connection, Schwartz (1994) defines values as "desirable transsituational goals, varying in importance, that serve as guiding principles in the life of a person or other social entity" (p. 21). For example, individuals want to be rich or wish to be powerful entrepreneurs. Values also include affects (feelings and emotions) related to such goals. The attainment of a value will create a positive affect (e.g. satisfaction and joy), while the impediment of a value will result in a negative affect (e.g. anger and disappointment).

Two researchers with experience in coding laddering data, but with limited knowledge of the business-to-business area, were asked to carry out the initial categorization independently to ensure reliable interpretations. After reconciliation of coding differences, a third researcher with business-to-business research experience independently coded the data and compared the findings with the initial conceptualization. The list of constructs (attributes, consequences, and values) agreed upon by the three coders can be found in the appendix (tables A1-A3).

In the second stage, the number of associations between the constructs on different levels (attributes/consequences/values) was expressed by aggregating individual means-end chains across respondents which resulted in an 'implications matrix', detailing the associations (i.e. 'implications') between the constructs. This matrix acts as a bridge between the qualitative and quantitative elements of the laddering technique by showing the frequencies with which one code (construct) leads to another (Deeter-Schmelz *et al.*, 2002). An implications matrix generally displays two different types of implications: in a direct implication one attribute/consequence is stated directly after another attribute/consequence in the same ladder, without any

intervening attributes/consequences. In an indirect implication two attributes/consequences are stated in the same ladder but separated by at least one intervening attribute/consequence. The following table shows an extract from the implications matrix:

Insert Table 1 about here

Finally, in the third stage, a Hierarchical Value Map (HVM) was generated that consists of nodes representing the most important attributes/consequences/values, and of lines indicating links between concepts (Claeys *et al.*, 1995). Such a HVM normally consists of three different levels relating to the three *concepts of meaning*: attributes, consequences, and values. Frequently, the lower section of the map tends to be cluttered and crowded due to the large number of attributes obtained during laddering (Gengler *et al.*, 1995). Therefore, avoiding several crossing lines (i.e. overlapping ladders) is important for improving the interpretability of the HVM.

The HVM only displays concepts of meaning at the cutoff level 2, so that at least two respondents had to mention linkages between concepts for them to be represented in the HVM. Higher cut off points improve the interpretability of the map but result in a loss of information. The cutoff level of two was chosen as the resulting HVM keeps the balance between data reduction and retention (Gengler *et al.*, 1995), and between detail and interpretability (Christensen and Olson, 2002).

Results and Discussion

Twenty-two questionnaires were returned by companies in the manufacturing industry. Thirty-one concepts of meaning which remained above the cutoff level of two are represented in the HVM (see Figure 2). The lowest level of abstraction is

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presented by thirteen attributes which exemplify the complaint resolution management expectations. Within the identified ladders, fourteen constructs represent consequences of such resolution activities, while four constructs can be interpreted as being on the highest level of abstraction, i.e. values.

Insert Figure 2 about here

Take Quick Action[1] is the most important of the expected attributes and behaviours of complaint resolution management. However, as it was only mentioned nine times (i.e. only by slightly more than one third of the responding companies), it does not dominate the attribute list, compared to Understanding Problem or Openness (both mentioned five times). However, several other 'soft' attributes, i.e. those which are not directly problem-related such as Active Listening and Honesty are not perceived to be pivotal. These represent more *general attributes* which are linked to the relationship atmosphere in which long-term business interactions take place (McNally and Griffin, 2007); however, larger companies are predominantly focusing on the *specific attributes* related to complaint resolution activities. Therefore, issues around the construct of Trust did not even make the cutoff level for the HVM analysis, contrasting with the important role trust plays in the literature on business relationships in general (Andersen and Kumar, 2006; Huemer, 2004; Morgan & Hunt, 1994; Mouzas *et al*., 2007; Svensson, 2004; Young, 2006)

The next step on the ladder of the HVM represents consequences, i.e. the immediate reasons why certain complaint resolution attributes are important. Four consequences seem to dominate the assessment by larger manufacturing companies: Financial Benefits, Prevention of Future Problems, Solution, and Effective Resolution

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[1] Construct names are capitalized in the text to aid better readability.

Handling (mentioned by eleven, twelve, twelve, and eleven respondents respectively). While one of these consequences is focused on the complaint management process (i.e. Effective Resolution Handling), the other three are outcome-related, with Prevention of Future Problems linking the complaint incident to the improvement of future interactions between the key suppliers and the customer company. Compared to other studies on complaint resolution management it is surprising that the construct Solution does not exhibit a more dominant position in the HVM (Henneberg *et al.*, 2008; Trawick and Swan, 1981). While the strongest path links the attribute of Take Quick Action to Solution, its impact on values is clearly mediated via other consequences, e.g. via Save Time, and Financial Benefits.

With regard to the value level of the means-end ladder, four different constructs as the highest desired results are identified. These can be understood as the overarching ends as to why complaint resolution management in close business relationships is of importance to manufacturing companies. In line with results from other comparable laddering studies, only a relatively small number of constructs are at this highest level of abstraction (Botschen and Hemetsberger, 1998). Maintain Supplier Relationships is dominant in the perceptions of companies, with half of them mentioning this as an end. The concern for the continuity of the relationship which was already visible via the importance of the consequence of Prevention of Future Problems reveals the inherent interdependence that is evident in close relationships with key suppliers, even in asymmetric relationships. Complaint situations need to be resolved not just to remedy a specific problem but to ensure the continued availability of crucial resource interactions via the supply network as part of the relationship brokerage activities of business exchanges (Harland and Knight, 2001).

However, this concern with maintaining supplier relationships is not equally mirrored to the same extent by a concern for down-stream exchanges as part of value-creating systems (Parolini, 1999): Maintain Customer Relationship was only mentioned by three respondents. The impact of relationship issues with a company's suppliers on this company's customers (Network Effect), indicating that the interdependencies of a demand chain (Jüttner *et al.*, 2007) are also important but not top-of-mind for larger manufacturing companies (mentioned by four respondents). This is also exemplified by the value of Reputation Benefits. Companies relate critical incidences in a business relationship and how they are dealt with to the possible effects on their own reputation. This can be directly linked to the attribute of Take Quick Actions, i.e. the supplying company needs to react to a complaint quickly, implying that the customer company (the complainant) needs to enable this by active and constructive complaint behaviour. This backs Hicks *et al.*'s (1996) argument regarding the importance of interactions for reputational issues in business relationships. In light of this, the reticence of companies to complain (in contrast with end-consumers) reported in the literature hints at a problem for successful complaint resolution management with potential impact on the quality of crucial supplier relationships (Dart and Freeman, 1994). Overall, larger companies seem to be concerned not only with their direct relationships with suppliers, also with the systemic aspects of the necessary resource ties and pooled capabilities within business networks, in line with their focal network position due to their size/power (Andersen *et al.*, 1994; Evans and Berman, 2001; Stabell and Fjeldstad, 1998).

While the laddering logic implies a hierarchical relationship between different constructs, HVMs can also be interpreted as a symmetrical interaction map in line with van Rekom and Wierenga's (2007) critique of means-end techniques. In our

example, no clear centre is visible; however, the triad of Solution, Prevention of Future Problems, and Effective Resolution Handling seems to provide the linchpin linking different areas of the HVM. This illustrates that the identified expected means of complaint resolution management are important, and are mediated in a rather complex manner to achieve a small number of ends.

Overall, our research yielded a well developed and complex ladder structure regarding the expectations of complaint management (see tables 2 and 3).

Insert Tables 2 and 3 about here

The design of the questionnaire version of laddering explains why respondents mentioned so many consequences, which account for 53 per cent of all concepts of meaning: Respondents were asked to give three reasons why a certain attribute is important to them and the relatively small number of elicited values (16 per cent of concepts of meaning) may have been compensated for by the large number of consequences instead, as respondents were not always able to completely climb the ladder of abstraction to the value level without the presence of an interviewer. In face-to-face interviews, interviewers can employ several laddering techniques to help respondents reach the value level (Reynolds and Gutman, 1988). These techniques are not available in the questionnaire version of laddering.

Table 3 shows that a total of 97 ladders were collected with the laddering questionnaires and the 22 respondents provided between one and thirteen ladders each, with an average of 4.4 ladders per respondent. The longest ladder consisted of seven concepts of meaning (attributes, consequences, and values) and the shortest two, with an average of 3.6 concepts of meaning per ladder.

Conclusion, Implications and Further Research

Our analysis and findings help enrich the existing limited stock of knowledge on complaint management in business relationships by offering a deeper understanding of the desired attributes (i.e. characteristics and behaviours) of suppliers attributes as well as the underlying business logic (i.e. values) for these expectations. Specifically, we found that large complaining companies perceive disruptions of their supplier relationships of importance not just because they jeopardise strategically important supplier relationships, but they also disrupt the wider business network within which they are embedded. The analysis of the collected laddering data shows that large and powerful companies relate issues of complaint resolution by their key suppliers to the context of the overall demand chain in which they are embedded (Jüttner *et al.*, 2007). Having appropriate complaint management practices in place does not just benefit the relationship with the direct customer, but also with other network organizations. Issues of effective complaint management therefore need to be addressed not just as isolated managerial activities with limited benefits for the parties involved, but should be seen as being part of a wider activity set of strategic networking activities with impact on whole business systems (Ford *et al.*, 2003; Ritter, 1999). It is noteworthy that these findings represent a network insight on the part of the focal and powerful manufacturing companies in our research (Mouzas *et al.,* 2008)

Achieving a Solution regarding a complaint incident is of pivotal importance for large companies. For this purpose, our analysis pinpoints the importance of being able to clearly and quickly analyze and address the problem causing the complaint, plus sending appropriate 'soft' signals which reinforce the relationship atmosphere, e.g. empathy, openness, and active listening. Clearly, the managerial process of resolving complaints is only one side of working together in a close asymmetric

relationship. The social signals embedded in interactions aimed at resolving complaint situations are another important attribute which needs to be managed in order to maintain or enhance relationships. As such, complaint management in business marketing merits inclusion in the more general study of tie characteristics, relationship-specific investments, and strategic networking activities.

With regard to the applied method (hard laddering), the quality of the results suggests that the traditional laddering questionnaire technique can be transferred effectively to an online environment. Such an inexpensive and fast data collection method is a valuable research method especially for the exploratory stages of research projects (Van Rekom and Wierenga, 2007). Given the exploratory character of the study, the findings are tentative in nature and cannot be generalised. Further research should be carried out using similar data collection and analysis methods. While this study was conducted with UK manufacturing companies and with close but asymmetric relationships, different settings ought to be used for replication: different industries, balanced business relationships, and sample populations of small- and medium-sized companies.

Botschen *et al.* (1999) pointed to the fact that the paper-and-pencil version used for their study provides hardly any contextual information. As a consequence, researchers have difficulties developing meaningful categories during content analysis, especially if the researcher's pre-laddering knowledge about their respondents' cognitive categories is rather limited (Grunert and Grunert, 1995). In addition, Botschen *et al.* (1999, p. 55) maintain that "*little is known about the validity and reliability of the procedure and the comparability of results obtained from traditional laddering interview (soft laddering) and paper-and-pencil laddering*". Finally, the researcher has no control over the laddering process (e.g. who really fills

in the questionnaire). Grunert *et al.* (2001, p. 76), therefore, suggest that future research should clarify "*under which circumstances it may be safe to perform hard laddering, and when it appears necessary to employ soft laddering*".

Finally, a hierarchical value map only displays associations beyond a specific cutoff level, which means that associations have to be mentioned by a certain number of respondents in order to be graphically represented. However, Grunert and Grunert (1995) posit that neither theoretical nor statistical criteria exist for researchers to decide which cut off level they should select. Further research might try to develop these criteria.

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Table 1: Implication Matrix Example

	Solution	Effective Resolution Handling	Financial Benefits	Prevention of Future Problems	Managerial Benefits	Fulfill Obligations to our Customers
Take Quick Action	5/6	2/2	1/8		1/2	1/4
Understand Problem	2/2	3/3	1/2	2/5		/1
Openness	1/1	1/2	/1	1/2	/2	
Honesty		1/1	1/1	/1	1/2	
Motivation	1/1	1/1	/2	1/1	1/1	/1
Empathy		1/4	/1	/1		/1
Feedback	/1	/1		/1		/1
Cooperate	1/3	1/1	1/2	/2	/1	
Responsibility	/1	1/1	/1	/1	1/1	

Note: The number of direct relations is given to the left of the dash and total implications (direct and indirect relations) are expressed to the right of the dash. For example, "Take Quick Action" leads to "Solution" 5 times directly and 1 time indirectly (6-5). Thus, 5 respondents said that the supplier's ability to take quick action directly helps buying companies to get a problem solution, whereas 1 respondent sequentially related the two elements with another element in between.

Table 2: Number of Attributes, Consequences, and Values

	Attributes		Consequences		Values		Sum of Concepts of Meaning
	Number of attributes	Number of times mentioned in ladders (Total/ %)	Number of consequences	Number of times mentioned in ladders (Total/ %)	Number of Values	Number of times mentioned in ladders (Total/ %)	
Online Laddering Question-naires	24	112 (31%)	28	188 (53%)	5	56 (16%)	356

Note: the numbers refer to overall identified concepts. Due to our cutoff levels for inclusion in further analyses, they do not correspond with the numbers presented in the HVM.

Table 3: Number and Length of Ladders

	Number of ladders	Number of ladders per respondent			Number of concepts of meaning (A/C/V)	Number of concepts of meaning per ladder (=Length of ladder)		
		Min	Max	Average		Min	Max	Average
Online Laddering Questionnaires	97	1	13	4.4	356	2	7	3.6

Note: A/C/V = attributes/consequences/values

Note for tables A1-A3: The constructs appear in alphabetical order; n refers to the frequency with which this construct was mentioned; concepts that appear later in the HVM (based on the construct association cut-off) are shaded.

Table A1: Overview List of Attributes

Acknowledgement of Problem	N=9
Active Listening	N=3
Authority	N=1
Commit Resources	N=3
Communicate	N=1
Constructiveness	N=3
Cooperate	N=5
Empathy	N=7
Feedback	N=5
Flexibility	N=3
Honesty	N=7
Intelligence	N=1
Manners	N=1
Motivation	N=7
Openness	N=10
Prevention Methods and Controls	N=2
Proactiveness	N=1
Reliability	N=2
Responsibility	N=4
Supportiveness	N=1
Take Quick Action	N=20
Transparency	N=1
Trustworthiness	N=3
Understand Problem	N=12

Table A2: Overview List of Consequences

Commitment	N=1
Concentrate on other Issues	N=4
Competitive Advantage	N=6
Confidence	N=11
Containment of Issue	N=2
Customer Satisfaction	N=4
Differentiation	N=2
Effective Resolution Handling	N=26
Financial Benefits	N=26
Fulfil Obligations to our Customers	N=11
Good Working Environment	N=8
Interdependence	N=2
Managerial Benefits	N=13
Prevention of Future Problems	N=19
Quality Assurance	N=4
Reduction of System Rigidity	N=1
Save Time	N=9
Solution	N=28
Take Problem Seriously	N=6
Take Someone Seriously	N=4
Trust	N=1

Table A3: Overview List of Values

Maintain Customer Relationship	N=7
Maintain Supplier Relationship	N=33
Network Effects	N=11
Reputation Benefits	N=4
Well Being	N=1

Figure 1: Example for Laddering Process

ATTRIBUTES / CHARACTERISTICS

1.
"willing to listen and open to complaints and criticism"

2.
"quick to undertake preventive and corrective actions"

3.
"sincerity through good times and bad times"

Question:
Could you please explain to us what you mean by **"quick to undertake preventive and corrective actions"** *and why exactly this is important to you and your company in the case of a complaint?*

Answer 2a:
"Once a complaint has been acknowledged from client, supplier has to act on it and resolve in the quickest time possible."

Question:
And could you please explain why this is of particular relevance to you and your company?

Answer 2b:
"If there is no action or client cannot see any effort at all to act on their complaint, regardless of whether there is a solution or not, clients will lose faith in suppliers' ability to maintain a mutually beneficial relationship with them. Eventually they will look for another supplier who can give them more value and take care of them better."

Question:
And could you please explain why this is of particular relevance to you and your company?

Answer 2c:
"We not only risk losing our client to competitors on account of unresolved complaints but our reputation might also be damaged due to word of mouth."
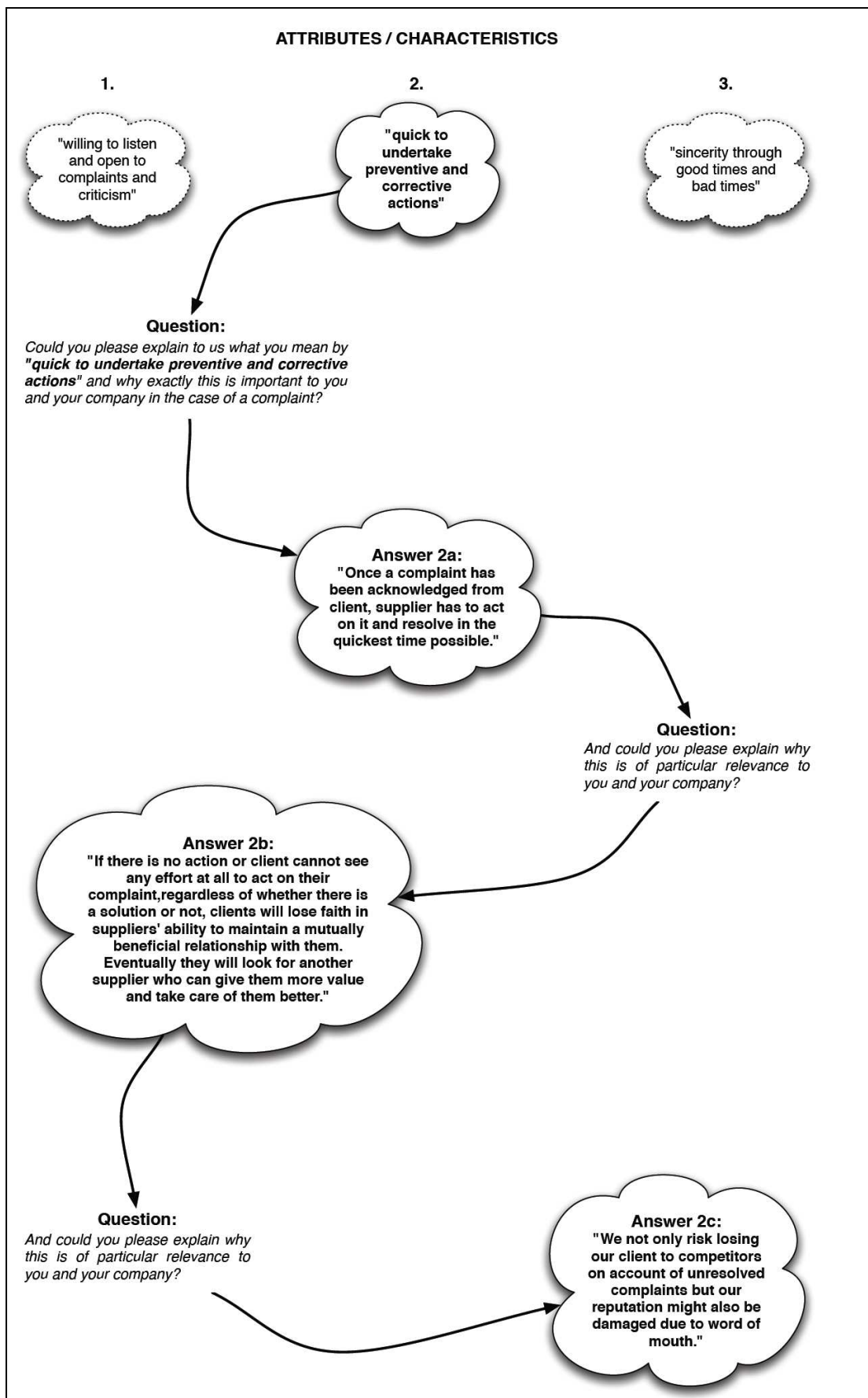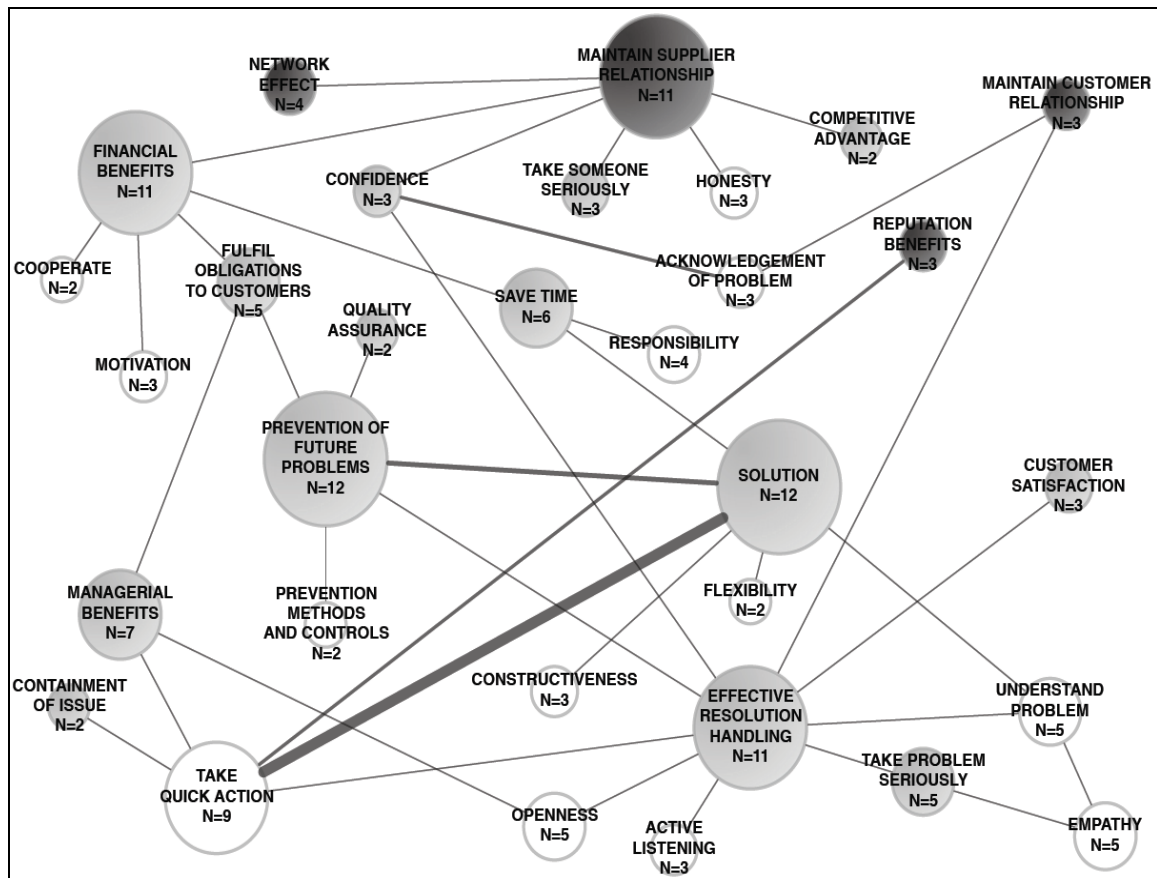
Figure 2: Hierarchical Value Map of all Respondents (Cutoff Level 2)

Note: Attributes=white, consequences=grey and values=black; numbers (N) refer to frequency with which constructs were mentioned; the thickness of the lines linking constructs indicates the tie strength between them