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Abstract

Building on existing research examining customers' complaints about service experiences, this study examined restaurant consumers' episode-specific reactions to service failures. In the first stage of this work, restaurant patrons were asked to describe a recent service experience where they complained about some element of the service they received. From these statements a coding scheme was developed to classify the consumers' qualitative descriptions of the service episodes where they experienced a service failure and remedy. The consumers' reports addressed three issues: (a) the issue that triggered the complaint, (b) the complaint remedy further broken down on two dimensions based upon the degree of correction and whether the remedy produced a positive or negative outcome, and (c) how (and if) the service failure and remedy influenced repatronage intentions. Following the content analysis and the coding of the critical incidents, logistic-regression analyses revealed that the extent to which a service failure is corrected is important to customer satisfaction and satisfaction with a specific service remedy is connected to a consumer's desire to return to the restaurant.

Keywords

customer service; customer complaints; repatronage intentions

Disciplines

Hospitality Administration and Management

Comments

Required Publisher Statement

© SAGE Publication. Final version published as: Susskind, A. M. (2005). A content analysis of consumer complaints, remedies, and repatronage intentions regarding dissatisfying service experiences. *Journal of Hospitality & Tourism Research*, 29(2), 150-169. doi:10.1177/1096348004273426. Reprinted with permission. All rights reserved.

A Content Analysis of Consumer Complaints, Remedies, and Repatronage Intentions Regarding
Dissatisfying Service Experiences

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July 27, 2004

Author's Note

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The author would like to thank Kristin Jackson for her technical support with Concept System data analyses and her description of the content analyses presented here and Bill Trochim for his permission to use the Concept System software.

ABSTRACT

Building on existing research examining customers' complaints about service experiences, this study examined restaurant consumers' episode-specific reactions to service failures. In the first stage of this work, restaurant patrons were asked to describe a recent service experience where they complained about some element of the service they received. From these statements a coding scheme was developed to classify the consumers' qualitative descriptions of the service episodes where they experienced a service failure and remedy. The consumers' reports addressed three issues: (a) the issue that triggered the complaint, (b) the complaint remedy further broken down on two dimensions based upon the degree of correction and whether the remedy produced a positive or negative outcome, and (c) how (and if) the service failure and remedy influenced repatronage intentions. Following the content analysis and the coding of the critical incidents, logistic-regression analyses revealed that the extent to which a service failure is corrected is important to customer satisfaction and satisfaction with a specific service remedy is connected to a consumer's desire to return to the restaurant.

KEYWORDS: *customer service; customer complaints; repatronage intentions*

A Content Analysis of Consumer Complaints, Remedies, and Repatronage Intentions Regarding Dissatisfying Service Experiences

When a service failure occurs, customers are faced with the option of communicating a complaint to influence the service-delivery process, or terminating the service exchange without having their service expectations met in a satisfactory manner (Singh, 1988). Stemming from feelings of dissatisfaction, customers will first cognitively evaluate the service failure and determine which step if any will be taken to redress the situation (Stephens & Gwinner, 1998). Given this seemingly difficult decision in a service episode, individuals wishing to communicate a complaint must be able and willing to complain in the customer-service episode, and secondly, believe that their complaints will lead to adjustments that sufficiently compensate for their dissatisfaction (Davidow, 2000; Fomell & Westbrook, 1979; McCollough, 2000; Singh & Wilkes, 1996).

Research to date on customer complaint behavior has primarily examined outcome-directed behavior within expectancy-value frameworks (Day, 1984; Day & Ash, 1979; Folkes, 1984; Oliver & DeSarbo, 1988; Singh, 1990; Singh & Wilkes, 1996). These analyses have been recently applied in the area of hospitality management through justice-based frameworks looking at consumers' fairness perceptions regarding service recovery (Collie, Sparks, & Bradley, 2000; Davidow, 2000) and customer satisfaction and perceptions of service quality (McCollough, 2000).

Using these justice frameworks, consumers' communication to others about dissatisfaction they experience with consumer goods and services has been classified into a three-dimensional taxonomy based upon how they decide to communicate their dissatisfaction (Liu, Watkins, & Yi, 1997; Singh, 1988). Once dissatisfaction occurs, consumers can communicate their complaints via voice responses, private responses, or third-party responses (Singh, 1988, 1990). Voice responses occur when individuals seek redress directly from the seller. Private responses occur when individuals engage in word-of-mouth communication about their dissatisfying experiences with others (not the seller). Third-party responses occur when individuals involve an outside party to redress the dissatisfaction, such as contacting a

newspaper, the better business bureau, health department, or a lawyer. The response type that dissatisfied consumers use depends upon the circumstances surrounding the dissatisfaction and their need to have the dissatisfying experience remedied (Clark, Kaminski, & Rink, 1992; Goodwin & Ross, 1990; Mount & Mattila, 2000; Susskind, 2000; 2002; 2004). A voice response is likely to yield a direct remedy to a service failure, a third-party response may also lead to a direct remedy to a service failure but will take longer to effectuate (Singh, 1990), and a private response will normally not directly lead to a remedy to a service failure, but communication with others surrounding the dissatisfying experience will likely have a therapeutic effect for the consumer (Bennett, 1997; Clark et al., 1992; Day, 1984; Goodwin & Ross, 1990; Susskind, 2002, 2004).

The Service-Based Organization

Consumer dissatisfaction has also been examined in terms of transactions with durable or tangible goods (i.e., tangibles) (Day & Ash, 1979) and/or services and intangibles (Day & Bodur, 1978; Singh, 1990). Hospitality-based organizations are a subset of service organizations where customers often consume and evaluate the service experience prior to rendering payment. This differs from banking services, medical services, and auto-repair services, where service is offered, but the extent to which a consumer remains satisfied with the service level and product cannot be fully gauged at the time of purchase or payment. Hospitality-based services are unique because they typically require a high level of service- involvement and are normally fully completed and evaluated before payment is rendered and departure from the place of purchase is initiated. This characterizes hospitality services on two interrelated dimensions where levels of service involvement and service-episode completion and evaluation vary. These unique elements suggest that high involvement, start-to-finish service episodes be examined apart from other service-based experiences (cf. Day & Bodur, 1978; Singh, 1990; Susskind, 2000; Susskind, Borchgrevink, Kacmar, & Brymer, 2000).

Communication between consumers and service providers has been shown to be an important but understudied factor in the service-delivery process (Davidow, 2000; Ford, 1999, 2001; Garrett & Meyers, 1996). With the growing prevalence of research examining service-based organizations, gaining a better

understanding of communication processes becomes even more important. This is particularly true regarding service failures and service recovery (Clark et al., 1992; Goodwin & Ross, 1990). With start-to-finish service episodes, communication between the consumer and service provider is a key element in the service process and highlights the need to closely examine the influence of voice-based complaint communication in service organizations.

THEORY AND RESEARCH QUESTIONS

Customer Satisfaction and Service-Based Complaints

The goal of a customer-driven organization is to maximize customer satisfaction through the products and services offered (Mittal, Ross, & Baldasare, 1998). As noted by Fornell, Johnson, and Anderson in their presentation of the American Customer Satisfaction Index (1996), there is an inverse relationship between customer satisfaction and the lodging of complaints, suggesting that in general, for a complaint to be formulated and communicated by a consumer, a particular service failure would need to have occurred that led to an element of dissatisfaction for the customer in the customer-server exchange.

A number of theoretical perspectives have been applied to explain complaint behavior and customer satisfaction in the marketplace, two of which seem particularly salient to the customer-server exchange (CSX). First Equity Theory (Adams, 1965) would suggest that consumers evaluate the input and output of the service experience and attempt to reconcile that relationship while in the CSX (Folkes, 1984; Oliver & DeSarbo, 1988). In start-to-finish service episodes, the examination of the equity in exchange can occur at any point in the service delivery. Using a dining experience for example, a customer may experience service that she perceives to be slow or inattentive and/or a food order that appears to be “not right” in some way. Based on their framed expectations for the CSX, customers are then faced with the task of having the input/output relationship adjusted in some way to realign the outcomes with their expectations. As noted by Mittal et al. (1998) consumers identify attributes of the product or service experience (i.e., food, service, and ambience) and typically evaluate them specifically

rather than globally. This is anecdotally supported by the common phrase we all hear about restaurant experiences: “the food was good, but service was horrible,” or vice versa.

Second, an attribution framework (Fiske & Talyor, 1984; Folkes, 1984; Oliver & DeSarbo, 1988; Weiner, 1985) would suggest that both customers and service providers try to make sense of a service experience by assigning attributions to the cause and effect of the service elements. In the context of service failure Folkes (1984) and Oliver and DeSarbo (1988) noted that the attributed success or failure (i.e., good or bad) of a service experience is influenced by the evaluator’s perception of (a) locus of control (i.e., was the outcome a function of internal or external processes)—I ordered the wrong dish versus the server brought me the wrong dish; (b) stability (i.e., was the cause of the outcome a consistent occurrence or irregular)—“the food is always good here but the service is terrible,” versus “I’ve never had bad service like this here before;” and (c) controllability (i.e., was the outcome a function of knowledge, skill, or ability or attributed to uncontrollable circumstances or luck)—“even though we asked for a nonsmoking table, we were seated right next to the smoky bar” versus “just as soon as we were seated at the outside patio, it started to rain.” It is from these perceptions and attributions that both complaints and ultimately customer satisfaction most likely arise. What drives these perceptions is a set of expectations that are formed around the CSX. When expectations for a service experience are violated, consumers must decide what to do, whether to complain to seek a remedy or to depart from the service experience dissatisfied in some way.

Efficacy and Outcome Expectations

An individual’s propensity to complain about a dissatisfying service experience is contingent upon the perception that he or she is able to effectively voice a complaint to redress the dissatisfying experience (i.e., self-efficacy). Complaint efficacy then leads to the perception that the effort expended in voicing the complaint(s) will lead to a renewed sense of satisfaction (i.e., outcome expectancy) (Susskind, 2000). Depending upon the specific circumstances of a service failure, individuals will use more or less self-regulation in their response to dissatisfying experiences (Bagozzi, 1992; Maddux, Norton, & Stoltenberg, 1986; Singh & Wilkes, 1996). This translates a consumer’s ability and desire to

complain about dissatisfying experiences an issue of self-efficacy first—where efforts or action come about through a perception of mastery or ability (Bandura, 1977) in the voicing of complaints about service experiences (Susskind, 2000). In general, this line of research has shown that individuals' efficacy expectations surrounding the performance of a specific behavior lead to specific outcome expectations for that behavior, which in turn can be related to behavioral intentions and the specific performance of behavior (Saltzer, 1982).

Complaint intentions have also been examined by communication scholars within the context of romantic relationships (cf. Makoul & Roloff, 1998) and restaurant-service experiences (Susskind, 2000). These investigations offered specific applications of self-efficacy theory in the context of social relationships and built upon the already well-developed stream of expectancy-valence research in the services-marketing literature that examines complaint behavior among consumers of durable goods and services (Goodwin & Ross, 1990, 1992; Oliver & DeSarbo, 1988; Singh, 1990; Singh & Wilkes, 1996; Stephens & Gwinner, 1998).

In their study of relational partners' desire to withhold complaint behavior within romantic relationships, Makoul and Roloff (1998) found that efficacy expectations significantly influenced individuals' reports of their propensity to withhold relational complaints, whereas outcome expectations did not. Likewise, the interaction term of efficacy and outcome expectations was not a significant predictor of propensity to withhold complaints, whereas the additive relationship was (Makoul & Roloff, 1998). Their findings suggest that efficacy and outcome expectations function differently in the complaint process. Similarly, Susskind (2000) found that consumers' processing of complaints about service experiences is influenced by their experience with dining. Consumers who dined out more frequently indicated a greater level of confidence in their ability to produce an effective complaint, suggesting that at a minimum, their experience with dining helped them to form and develop complaints about dissatisfying service experiences (i.e., dining frequency positively influenced efficacy expectations). In addition, their beliefs then influenced their expectations of complaint remedies (i.e., efficacy expectations positively influenced outcome expectations). Dining frequency, however, did not show a notable influence upon

outcome expectations, suggesting that as individuals gained more experience in dining, they gained confidence in formulating complaints, and it is this confidence, not the experience gained with dining itself, that influenced their expectations of complaint remedies or outcomes. In short, as individuals' experience with dining increases so do their perceptions that they can influence the service exchange through their complaints (outcomes), but they must first, believe they can formulate a complaint that is likely to lead to an expected outcome or remedy. These ideas too have been applied in the marketing literature where consumers' reactions to complaints were evaluated relative to desired and actual outcomes (Clark et al., 1992; Goodwin & Ross, 1990).

Given these findings, complaint efficacy is not assumed to be a direct influence on complaint satisfaction, but remains an influence upon outcome expectations. Therefore, it could be expected that consumers' outcome expectations are positively related to their complaint satisfaction.

Question 1 (Q1): Are individuals with high outcome expectations more likely to report satisfaction with complaint handling following a service failure and remedy in which they initiated a complaint about an aspect of their service experience?

Complaint Communication and Service Recovery

As noted by Garrett and Meyers (1996), consumers and service providers play different roles in the CSX during complaint resolution. Consumers spend much of their time describing and explaining their perceptions of the service and desired remedy, whereas service providers attempt to identify the cause of the problem (attribution) and offer a remedy (equity).

Once consumers identify the object of their dissatisfaction, and make the decision to communicate a complaint and indicate how to have the dissatisfying situation redressed, it then becomes the service providers' responsibility to address the complaint in the agreed-upon manner. After complaint initiation, the service provider should facilitate the negotiation of a mutually beneficial remedy that will adjust the perceptions and expectancies of the customer (Clark et al., 1992; Goodwin & Ross, 1990; Susskind 2002). Service recovery emerges through a set of actionable resources that organizations and their representatives can offer to consumers to redress service failure (Smith, Bolton, & Wagner, 1999).

Service failures and remedies clearly vary from episode to episode and can lead to either a positive or negative service recovery for the consumer when all is said and done.

Degree of correction. How service providers offer remedies to redress dissatisfying elements in a service experience is likely to vary depending upon the specifics of the service failure. It could be argued that a minimal service failure, such as letting a water glass get empty before being refilled, would likely require a smaller remedy than a more substantial service failure such as serving a dish that had been improperly prepared or receiving rude service.

Hoffman, Kelley, and Rotalsky (1995), in their study of hospitality consumers, identified several groupings of recovery actions that vary in degree of correction. In regard to a high degree of correction, they identified strategies such as offering free food, discounts, coupons, and/or a managerial intervention, whereas at the low end of correction, they identified actions such as making adjustments, offering apologies, or doing nothing to correct the problem. This places recovery actions on a continuum where recompensation or managerial interventions are considered high-level corrections and line-level interventions such as apologies, service adjustments, or no action are considered low-level corrections (Clark et al., 1992; Hoffman et al., 1995). Likewise, Conlon and Murray (1996) examined organizational responses to written consumer complaints and identified a set of responses ranging from apologies, excuses, justifications, and a combination thereof. They also noted separately, whether compensation was offered along with the organizational response, further highlighting the existence of a continuum of organizational recovery actions, some involving verbal responses alone and others involving a form of compensation for the failure, with compensation leading to higher levels of satisfaction with the organizational response (Conlon & Murray, 1996). The degree of correction that is negotiated or offered in the CSX is key toward reaching a successful service recovery.

Positive versus negative experiences. A consumer, in regard to any service failure and recovery, can frame a service experience as positive or negative. Mittal et al. (1998) report that negative performance of a product/service attribute has a greater influence on customer satisfaction with a product or service than positive attributes. Based on equity theory, Goodwin and Ross (1990, 1992) suggest that

when consumers are presented with an acceptable recovery action, their perceptions of satisfaction increase and the recovery action most likely creates positive perceptions of the service episode despite the failure. Based on the framework presented above, there are four possible combinations of degree of correction (i.e., high or low) and perceptions of service recovery actions (i.e. positive or negative). Each combination is proposed and tested as the following:

Q2a: How is a low degree of correction coupled with a negative experience with service recovery related to satisfaction with complaint handling?

Q2b: How is a low degree of correction coupled with a positive experience with service recovery related to satisfaction with complaint handling?

Q2c: How is a high degree of correction coupled with a negative experience with service recovery related to satisfaction with complaint handling?

Q2d: How is a high degree of correction coupled with a positive experience with service recovery related to satisfaction with complaint handling?

Repatronage Intentions

Consumers' desire to return to a restaurant following a service failure is likely to be influenced by a number of factors. First, as noted above, if the consumers feel that they had been treated equitably in the service-recovery process, they are more likely to view the restaurant favorably (Collie et al., 2000).

Second, previous research has shown a strong positive association between satisfaction with complaint remedies and repatronage intentions (Conlon & Murray, 1996; Davidow, 2000; Smith et al., 1999), although a lack of longitudinal assessments prevents causal assertions to be made with certainty.

Therefore, I ask:

Q3: How are consumers' repatronage intentions following a service failure and remedy related to satisfaction with complaint handling?

METHOD

Participants and Procedure

A total of 358 mall patrons were solicited while shopping from three locations in a northeastern state ($n = 197$), a southeastern state ($n = 91$), and a Midwestern state ($n = 70$). The data were collected at the malls from a table set-up in front of the mall's food court over three 2-month periods, capturing a mix of the mall's operating days and hours. Participants were asked to fill out the survey in exchange for a lottery ticket with a face value of \$1.00. Participants' involvement in the study was strictly voluntary and they were assured confidentiality in their responses. Due to state regulations, each participant had to be over the age of 18 to receive the incentive and participate in the study.

The participants were 30% male and 70% female, between the ages of 18 and 70 ($M = 21.76$, $SD = 5.12$, median = 21). The three data collection sites were located near "college towns;" the mean age of the participants reflected that fact. To provide a context for the participants' perceptions of complaints while dining, they were asked to report how often they dine out for their lunch and dinner meals on a weekly basis. The participants ate their lunchtime and dinnertime meals out combined between zero and 14 times per week ($M=4.14$, $SD = 2.62$, $Mdn = 4$).

Survey measurement. Outcome expectations were measured using the 5-item measure presented by Susskind (2000). The respondents were asked to indicate their level of agreement with each statement on a 5-choice Likert-type scale (i.e., *strongly agree* = 5, *agree* = 4, *neutral* = 3, *disagree* = 2, *strongly disagree* = 1). Exploratory factor analysis with a varimax rotation yielded a single factor reliable factor as expected ($\alpha = .80$), confirming the scales' ability to consistently represent outcome expectations regarding consumer complaints about service experiences.

Critical incidents. The respondents were asked to describe three elements of a dining experience during the past 6 months where they encountered a service failure while dining and lodged a voiced-based complaint to a service provider. The first question asked the respondents to describe the object of their complaint; the second question asked the respondents to describe how the complaint was handled by the organization; and the last question asked the respondents to describe if and how the service failure and

recovery negatively influenced their desire to return to the restaurant. Based on their reported complaint described through the three open-ended responses, the respondents were asked to respond “yes” or “no” to the following question: Was the complaint handled to your satisfaction following your complaint? This dichotomous outcome variable was treated as the dependent variable in the subsequent analyses.

Analyses

Control variables. To determine if the participants’ demographic characteristics (i.e., age and sex) and dining frequency, measured as the number of times per week on average they dined out for lunch and dinner, were important to the analyses, a number of tests were conducted to control for these potential influences. To examine the potential effect of respondent sex on complaint satisfaction, a cross tabulation of these categorical variables was conducted and indicated they were independent influences ($\chi^2 [1] = .99$, $p = .32$, $\eta^2 = .003$). Two independent sample t tests were used to examine the influence of age and dining frequency upon complaint satisfaction. The t tests did not reveal a significant effect for age ($t [326] = -.55$, $p = .59$) or dining frequency ($t [324] = -.19$, $p = .84$) with complaint satisfaction.

Complaint content analysis. The respondents’ answers to the three critical incident questions were, on average, a short paragraph of 1 to 3 sentences in length and contained different ideas ranging from “There was a bug in my food” to statements about server professionalism, seating time, and problems with the bill. If one response had more than one unique idea in it, the answer was broken down into separate statements containing one idea about a critical incident. For example, one response was “Sincere apology. Certificate given.” This response was broken down into two separate statements: (a) sincere apology, and (b) certificate given (Jackson & Trochim, 2002).

Through the content analyses, three concept maps were produced (see Figure 1, Figure 2, and Figure 3). Each map was subsequently classified into global themes for the purpose of quantifying the responses for use in the logistic- regression analyses described below. The 11-cluster solution derived from Question 1 was classified into two global themes as: (a) food-related complaints and (b) service-related complaints. The 9-cluster solution resulting from Question 2 was classified on two dimensions: (a) the degree of correction reported by the customer ranging from low to high and (b) whether the

experience was viewed as positive or negative. To further classify these responses, the statements from each cluster were coded one of four ways as: (a) low degree of correction and negative outcome (coded as 1), (b) low degree of correction and positive outcome (coded as 2), (c) high degree of correction and negative outcome (coded as 3), and (d) high degree of correction and positive outcome (coded as 4). Last, the 9-cluster solution resulting from Question 3 was classified on two themes: (a) the degree to which the incident positively influenced their repatronage intentions and (b) the degree to which the incident negatively influenced their repatronage intentions. The specific analyses and procedures that produced the concept are presented in greater detail in the appendix.

Based on a descriptive analysis of the three resulting concept maps, 107 respondents (30.2%) reported a food-related complaint and 247 respondents (69.8%) reported a service-related complaint. In response to Question 2 (see Figure 2), 92 respondents (26.8%) reported a low degree of correction and negative outcome, 128 respondents (37.3%) reported a low degree of correction and positive outcome, 69 respondents (20.1%) reported a high degree of correction and negative outcome, and 54 respondents (15.9%) reported a high degree of correction and positive outcome regarding their reported service-related complaint. When asked whether the specific complaint redress displayed in Figure 2 would influence repatronage intentions, 139 respondents (40.6%) indicated that the complaint redress negatively influenced their desire to return to the restaurant and 203 respondents (59.4%) indicated that the specific complaint redress had a positive influence on their desire to return to the restaurant.

Logistic regression. The proposed research questions were tested using multinomial logistic regression with complaint satisfaction measured dichotomously (i.e., yes or no) as the dependent variable and the categories of complaint remedies yielded from the content analysis of Question 2 (Question 2a through Question 2d) and repatronage intentions (Question 3) as the independent variables, with outcome expectations treated as a covariate in the analyses because it was measured as an interval scale variable (Research Question 1). The regression model was assessed for fit and effect size based on an examination of the model's -2 Log Likelihood and the Nagelkerke "Pseudo" R-square.

RESULTS

The model fit the data quite well with an overall prediction rate of 90.2%. The model log likelihood times -2 was 117.23 which represented a decrease of 260.98 from the null model suggesting that the model represents the data well with six degrees of freedom ($\chi^2 [6] = 260.98$, $p < .001$), and a large effect size (Nagelkerke $R^2 = .73$). Each component in the model also proved to be significantly related to satisfaction with complaint handling as tested through the likelihood ratio: (a) outcome expectations was a significant covariate in the model ($\chi^2 [1] = 3.78$, $p = .05$), (b) the degree of correction and process affect was a significant factor in the model ($\chi^2 [3] = 138.37$, $p < .001$), and (c) repatronage intentions was a significant factor in the model ($\chi^2 [1] = 10.65$, $p = .001$). The individual parameter estimates are presented in Table 1 as they relate to the assessment of the Research Questions and the response frequencies by category are presented in Table 2.

Regarding Question 1, the analyses revealed that customers' outcome expectations had a positive and significant relationship with their perceptions that the complaint they lodged was remedied to their satisfaction ($B = .73$, $\text{Exp [B]} = 2.07$). The analyses suggest that a one-unit increase in individuals' outcome expectations will increase the likelihood that the customer will be satisfied with the complaint remedy after lodging a complaint by more than 100%. In the examination of Question 2a, the analyses revealed that customers receiving a low level of correction to their complaint and perceiving a negative experience with their remedy indicated that the complaint they lodged was not remedied to their satisfaction ($B = -3.73$, $\text{Exp [B]} = .002$). This finding suggests a 99.8% likelihood that these customers will not be satisfied with the complaint-remedy offered. The regression parameters used to examine Question 2b, Question 2c, and Question 2d were not significant in the model, however the direction of the influences (i.e., the B's) indicated a positive relationship in each case. The subgrouping who experienced a low level of correction to their complaint but perceived a positive experience with the remedy they did receive (Question 2b) indicated that the complaint they lodged was remedied to their satisfaction ($B = .13$, $\text{Exp [B]} = 1.14$); however the likelihood that these customers were satisfied with the complaint-remedy offered was notably lower than the other subgroupings at approximately 14%. For the subgrouping who

reported a high level of correction to their complaint but perceived a negative experience with the remedy they received (Question 2c) indicated that the complaint they lodged was, in general, remedied to their satisfaction ($B = .42$, $\text{Exp [B]} = 1.52$), suggesting that the likelihood of these customers being satisfied with the complaint remedy offered is approximately 52%, slightly higher than the low correction, positive-experience grouping. Last, the subgrouping who reported a high degree of correction to their complaint and perceived a positive experience with the remedy they received (Question 2d) indicated that the complaint they lodged was remedied to their satisfaction ($B = .77$, $\text{Exp [B]} = 2.16$), suggesting that the likelihood of these customers being satisfied with the complaint-remedy offered is better than 100%, the precise opposite of the low correction, negative experience subgroup whose likelihood of not being satisfied was equally strong. Last, the analyses examining Research Question 3 revealed that customers not intending to return to the restaurant following the service failure reported the complaint was not remedied to their satisfaction ($B = -1.26$, $\text{Exp [B]} = .28$). This finding suggests that the likelihood of these customers not returning to the restaurant following a dissatisfying complaint-remedy offered was 72%.

DISCUSSION

This study built on existing research examining customers' complaints about service experiences. The unique contribution of this research rests in the depth of analysis conducted. In the first stage of this work, restaurant patrons were asked to describe a recent service experience in which they lodged a complaint, beginning with the nature of the complaint up through their intentions to repatronize the restaurant following the complaint remedy. This study revealed three notable findings that should help guide future research on complaint management in service-based organizations.

First, as a result of the content analysis of the consumers' reports of complaints and remedies, a coding scheme was developed to classify consumers' responses to the complaint process and provide a means to quantify specific elements of the complaint process from reported complaints (cf. Jackson & Trochim, 2002). The first step in the process was to examine consumers' qualitative descriptions of service episodes where they experienced a service failure and remedy (or attempted remedy). The content

analysis of the critical incidents first revealed that the majority of the complaints that were reported were service-related by a margin of greater than two-to-one. This is consistent with current concerns of service providers and managers who indicate that maintaining a competent, service-oriented workforce is a challenge (Sullivan, 2001). Although with this particular data set there was no significant relationship between the type of complaint (i.e., food versus service) and consumers' report of a satisfactory remedy (as noted by a post- hoc cross-tabulation, $\chi^2 [1] = .40, p = .52$), it is possible that other factors not directly measured here, such as the magnitude of the failure or a quantitative ranking of the remedy, may influence or be influenced by the content of the service failure.

Second, the logistic regression analyses revealed that the most notable influence upon complaint satisfaction (or more specifically, complaint dissatisfaction) was a remedy that offered a low degree of correction and created a negative experience through the complaint handling. Although this may appear to be a common-sense finding, the respondents whose complaint remedies were classified into the other three categories were generally satisfied with the remedy they were offered. Specifically, those respondents who indicated a low degree of correction but a positive experience with the complaint handling reported that, for the most part, their complaint was handled to their satisfaction. For the respondents in this subgroup, it appears that the service failure was minor and a low degree of correction was acceptable to remedy the complaint. This is apparently different from the subgrouping that was offered a low degree of correction and had a negative experience with complaint handling, as these consumers were overwhelmingly unsatisfied with the manner in which their complaints were handled. Likewise, individuals who reported that they received a high degree of correction, irrespective of the experience (i.e., positive or negative) also indicated that they were satisfied with the outcome of the process. Combined, these findings suggest that the extent to which a service failure is corrected is important to customer satisfaction. Albeit a high degree of correction can counterbalance a negative experience with complaint handling, but as noted above, a low degree of correction coupled with a negative experience will most certainly lead to an unresolved service failure. Although consistent with several other studies examining recompensation and satisfaction outcomes (cf. Conlon & Murray, 1996;

Davidow, 2000; Gilly & Gelb, 1982; Smith et al., 1999), these findings differ from those of Garrett (1999) who found that the amount of compensation offered to dissatisfied consumers did not specifically influence their satisfaction or repatronage intentions. What Garrett (1999) highlights in his study is that the range and magnitude of compensation offered is the key difference among the reported findings.

Garrett's assertions add support to the classification scheme presented here that classifies the extent of the recovery actions as high or low and positive or negative. This suggests that a finer-grained analysis of the degree of correction should be offered to better explain the influence of the noted response judgments.

Last, consumers' desire to return to the restaurant was connected to the extent to which they were satisfied with a specific service failure and remedy. Although no causal relationships were proposed or tested due to the constraints of this cross-sectional, recall data, a majority of the respondents who reported a satisfactory complaint remedy indicated that the service failure and remedy they experienced did not negatively influence their desire to return to the restaurant (51.7%). What was interesting was that for those respondents who indicated that the service failure and remedy negatively influenced their desire to return to the restaurant, an equal number of the respondents had their complaints remedied satisfactorily and unsatisfactorily ($n = 65$ and $n = 64$, respectively). A further examination of this data revealed that 61 out of the 64 of those respondents who were not satisfied with the complaint remedy and would not repatronize the restaurant received a low degree of correction to their reported service failure with 49 of those individuals also indicating a negative experience with the remedy. Conversely, the 65 respondents who indicated they would not return following the service failure and remedy, but were satisfied with the complaint remedy, did not experience one remedy dimension exclusively, but indicated a near equal distribution of responses across the four categories of possible remedies. This suggests that this particular subgroup, regardless of the degree of correction and experience with the remedy, will not return to the restaurant, highlighting the difference between long-term and short-term service recovery. These findings are different from those reported for the subgrouping that indicated they would return to the restaurant. For those patrons who indicated they would return to the restaurant, an overwhelming majority specified that their complaint had been handled to their satisfaction, receiving "acceptable" remedies across each of

the remedy categories except the low correction, negative-experience category. This finding supports some of the anecdotal evidence reported in the hospitality trade press that indicates that when a “complaint is handled to a customer’s satisfaction there is a 95% chance he or she will return” (Zickenfoose, 2001, p. 48) and is consistent with Conlon and Murray’s (1996) findings that indicate a strong positive relationship between repatronage intentions and complaint satisfaction.

Limitations

Several limitations regarding this research should be noted. This was a field-based project, examining consumers’ recalled reactions to “start-to-finish” service episodes where they lodged a complaint about an element of the service experience. To accomplish this, consumers’ descriptions of recent restaurant experiences were collected, content analyzed, and used along with additional attitudinal measures regarding their perceptions of the recalled service experience. It can be problematic when research participants are asked to recall experiences several months following the actual event. The recalled responses could be incomplete, misrepresent the character of the experience, and mask or exaggerate the severity or importance of the event. However, when asked to recall an episode that is specific and limited in scope, the potential for misreporting is lower but not insignificant. It remains important to carefully monitor the use and application of recalled data.

This study used responses solely regarding restaurant experiences. Although dining experiences are typically consumed and evaluated in a single episode, other service types should also be studied to broaden the generalizability of these findings.

Last, the content analysis was applied to extract emergent themes from the participants’ statements. The content analyses facilitated the grouping of the qualitative responses into categories that were then quantified by the researcher (cf. Jackson & Trochim, 2002). Further support for the content groupings could have been gathered through the collection of additional responses such as asking for a rating of the severity of the reported service failure and the use of multiple measures to assess the degree of correction received, repatronage intentions, and satisfaction with the complaint handling.

CONCLUSION AND DIRECTIONS FOR FUTURE RESEARCH

The benefit of this type of analysis is that it captures consumers' responses to service experiences and allows them to be classified and quantified. Through the content analyses, it became clear that specific remedies to customers' complaints and their repatronage intentions are related to their satisfaction with service experiences. This technique adds richness to the understanding of complaint communication and how consumers respond to service remedies and steps beyond the typical critical incident analyses that have been traditionally used in this context.

Because previous research has shown a strong connection between customers' confidence in complaint formation and expected outcomes or remedies to service failures (Susskind, 2000), the additional data presented here suggests that service providers should first focus on determining the consumers' outcome expectations and match the degree of correction needed to reinforce the connection between expectancies and outcomes (Singh & Wilkes, 1996). This is particularly important because when customers complain, they most likely have a remedy in mind (i.e., outcome expectation). Therefore, it is important to understand customers' outcome expectations so when a complaint remedy is offered to them it aligns with their expectations. If a complaint is handled satisfactorily, it is likely to strengthen and positively influence the customers' perception of the service process and will encourage customers to complain when they are not satisfied with the service they receive. Simply put, when an inappropriate degree of recovery is coupled with a negative set of perceptions surrounding the service experience, there is a strong likelihood that dissatisfaction will result and customer loss or defection will occur. Through a better understanding of how and why customers communicate complaints about service experiences, service providers can gather and use important service-related information from their customers to improve and monitor the service process.

This research is an additional step toward a better understanding of the role that complaint communication plays in the CSX and how complaint processes affect service recovery. Research of this type should move forward by examining consumers' reactions to dissatisfying service experiences and repatronage intentions longitudinally. Longitudinal analyses would allow researchers to draw causal

attributions about how service failure and recovery actions affect consumer perceptions over time. This will provide restaurant operators with an understanding of the activities that connect service failure with consumers' perceptions of a satisfactory service recovery. This is important because the data in this study (and others, such as Clark et al., 1992, Collie et al., 2000; Davidow, 2000; Goodwin & Ross, 1990; McCollough, 2000) shows that consumer repatronage intentions (and loyalty) hinge around a sense of fairness and balance in the CSX.

Furthermore, gathering a set matched responses from both the customers and service providers involved in the same service episode might offer a more balanced view of the service failure and recovery process. Although service failure and recovery should ultimately be focused on the consumer, the service providers are the means through which dissatisfaction and satisfaction are reconciled for the consumer. This should help better explain how individual actions and outcomes can be aligned between and within service episodes.

Table 1. Parameter Estimates of the Complaint Remedy Classification Scheme

Dependent Variable: Complaint Satisfied	<i>B</i>	Standard Error	Wald	<i>df</i>	Significan ce <i>p</i>	Exp (B)
Outcome expectations	.73	.37	3.89	1	.05	2.07
Low correction, negative	-3.73	1.40	7.05	1	.00	.002
Low correction, positive	.13	1.37	.01	1	.92	1.14
High correction, negative	.42	1.42	.09	1	.76	1.52
High correction, positive	.77	1.44	.28	1	.59	2.16
Repatronage intentions	-1.26	.39	10.49	1	.00	.28

Note: $n = 327$ using listwise deletion.

Table 2. Observed Frequencies of the Variables Identified Through the Content Analysis Group by Complaint Satisfaction.

	Complaint Satisfied	<i>n</i>
Repatronage negatively influenced		
(1) Remedy low correction, negative	Yes	6
	No	49
(2) Remedy low correction, positive	Yes	33
	No	12
(3) Remedy high correction, negative	Yes	14
	No	2
(4) Remedy high correction, positive	Yes	12
	No	1
Repatronage positively influenced		
(1) Remedy low correction, negative	Yes	4
	No	22
(2) Remedy low correction, positive	Yes	77
	No	2
(3) Remedy high correction, negative	Yes	49
	No	3
(4) Remedy high correction, positive	Yes	39
	No	2

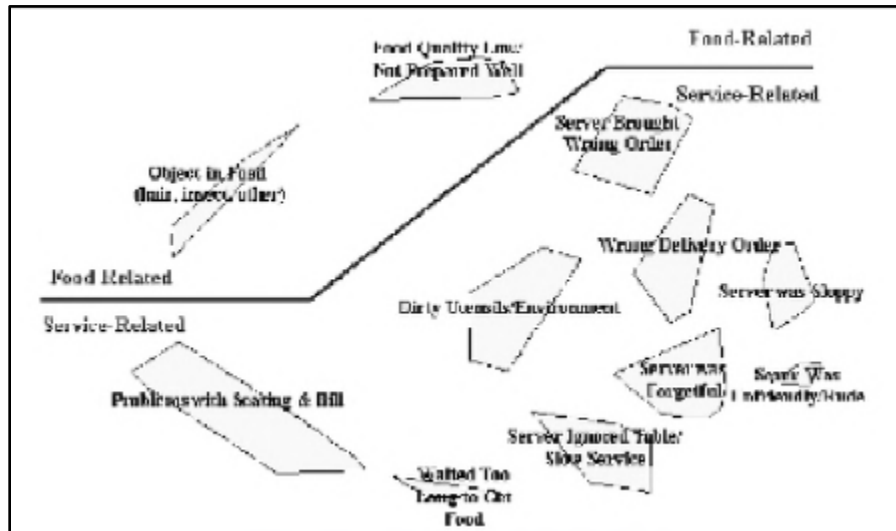


Figure 1. What Complaints Did You Have About Service While Dining?

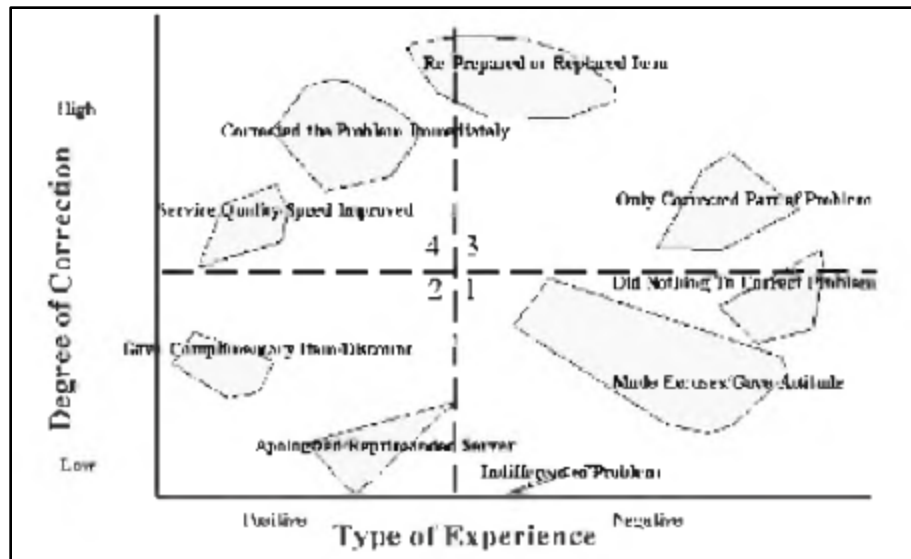


Figure 2. How Was Your Complaint Handled?

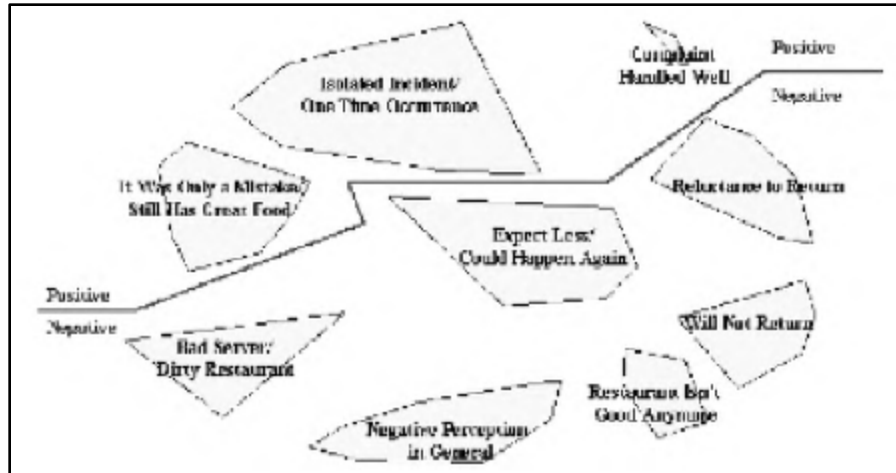


Figure 3. How Did the Incident Influence Your Desire to Return?

APPENDIX

Question 1 generated 415 statements, Question 2 generated 413 statements, and Question 3 generated 362 statements. Among these statements were several blank responses and several statements that were exact repeats of each other. For example, the statement “Food was cold” was repeated in those exact words 30 times by different respondents to Question 1. With the duplicate statements, one statement was retained, reducing the number of statements used in the analysis for Question 1, 200 and 213 each for Question 2 and Question 3. To ensure that each unit of analysis would be considered independently of the others, each statement was given a random number generated by the random number function in Excel and placed on a card, making the order of the statements irrelevant.

The next step in the concept mapping process was to have independent coders sort these cards into piles of similar statements. Six sorters completed sorts for each question. They were given a packet with the stack of the cards and instructions to put each card in a pile with other cards that contained statements they thought were similar to each other. There was no limit to the number of piles they could create. Finally, they were asked to give a name to each pile that they thought most accurately represented the statements in it. These sorted piles were then entered into the Concept System (Trochim, 1999a). A 200 x 200 binary square matrix (rows and columns represent statements) was created for each coder of Question 1 and a 213 x 213 binary square matrix was created for each coder’s sorts of Question 2 and Question 3. Cell values were represented by a “1” or a “0” depending on whether a pair of statements was sorted by that coder into the same pile. The matrices for all six coders were then added together to aggregate their similarity judgments. From that aggregated matrix, multidimensional scaling created coordinate estimates and a map of distances between the statements based on the aggregate sorts of the six coders. The sorted statements were then represented on the resulting maps by discrete points that were accompanied by the statement number. The distance between the points on the maps indicated the extent to which the statements were judged similarly by the coders. Points that were farther apart on the map were, in general, sorted together less frequently than those points that were closer together.

The next step was to determine the appropriate number of clusters. Hierarchical agglomerative cluster analysis was used to determine how the statements clustered together based on their similarity. This type of cluster analysis is most helpful in identifying categories when the structure of categories is not already known (Afifi & Clark, 1996). A cluster replay analysis (Jackson & Trochim, 2002; Trochim, 1999b) was then done to decide on the cluster solution. This analysis began with each statement as its own cluster and tracked the merging of the statements into clusters up to a 20-cluster solution. The content of each proposed cluster in the solution was examined to determine how appropriate it was to split or merge the statement groupings. Ultimately, an 11-cluster solution was selected to represent Question 1, a 9-cluster solution for Question 2, and a 9-cluster solution for Question 3 (see Figure 1, Figure 2, and Figure 3, respectively).

The final step of the analysis is to decide on a label or name for each cluster. The Concept System automatically generates a pile label for each cluster through centriod analysis. As noted by Afifi and Clark (1996) a centriod is defined as “the point whose coordinates are the means of all the observations in that cluster” (p. 392). In two-dimensional space, this is the average x and the average y value. Because each statement is associated with the pile name that each coder created, the centriod analysis identifies which statement point is closest to the average distance between all the points in the cluster and then assigns a name to the cluster by the label that is associated with that point. Using the Concept System-generated “top-ten” list of pile names created by coders, pile labels were assigned to the content of each cluster.

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