

CROSS-CULTURAL COMPLAINING BEHAVIOR? AN ALTERNATIVE EXPLANATION

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ABSTRACT

Consumer complaining behavior in the U.S. and other countries has been studied extensively over the years. Complaint behavior takes many forms: requests for refunds or exchanges, negative word-of-mouth, exit (or reduced repatronage), sabotage, and more recently website postings. When studied from an international context, differences in complaining behavior are typically explained in terms of underlying cultural values or norms; such as individualism vs. collectivism (Watkins and Liu 1996), uncertainty avoidance (Hernandez, Strahle, Garcia, and Sorensen 1991), or Confucian dynamism (Le Claire 1993), etc. These studies have indicated that collectivist cultures tend to discourage complaining behavior, that individuals who are high in uncertainty avoidance are less likely to seek redress or to engage in negative word-of-mouth, and that the more one identifies with traditional Chinese values the less likely he is to complain.

This study, however, challenges the conventional wisdom that culture is the underlying factor that accounts for differences in complaining behavior across national boundaries. Although cultural norms certainly influence consumer behavior in general, studies focusing on cross-cultural values (see Hofstede 1980) typically find substantially greater levels of "within-culture" variance as compared to "between-cultures" variance (e.g., Blodgett, Lu, Rose, and Vitell 2000). Given that empirical measures of culture appear to tap into personal differences more so than meaningful cross-national differences, previous findings regarding cultural values do not provide a compelling explanation for observed differences in complaint behavior across countries. Assuming that post-

purchase responses of dissatisfied customers in the U.S. do indeed differ from those of "wronged" consumers' in other countries, these differences must be due to factors other than culture.

The authors posit that differences in complaining behavior across various countries are instead due to competitive forces. Nowhere is the competition within the retail industry more intense than in the U.S. The retail industry in the U.S. evolved substantially over the past 25 years – resulting in a greater variety of formats (e.g., upscale specialty stores, "category killers," discounters, supercenters) and a significantly larger number of outlets (Levi and Weitz 2004). As competition became more intense a few retailers responded by implementing return policies that were more liberal and "consumer friendly." Leading the way, retailers such as Nordstrom's and Wal-Mart created a set of expectations (e.g., "satisfaction or your money back") among consumers that other U.S. retailers were forced to match (Spector and McCarthy 2001). Today, items purchased at one outlet typically can be returned at another location, oftentimes without a receipt, and after having been opened and used by the customer.

In many countries though (e.g., Turkey), retailers do not normally accept returns or allow for exchanges (except under a very narrow set of conditions). Typically, once a customer buys and uses a product, there is little (if any) possibility of a return or exchange. Retailers in these countries do not guarantee "satisfaction or your money back," or offer inducements such as "buy now, and return it within 30 days if not satisfied." Instead, it is generally accepted that the standard retail policy is "buyer beware." Customers' expectations in these countries, therefore, are much different than in the U.S. These consumers knowingly assume the risks, and – for the most

part – do not anticipate being able to return unsatisfactory items. The fact that they do not seek redress when dissatisfied, therefore, appears to have less to do with their underlying cultural values, and more to do with the prevailing return policies, which ultimately are determined by competitive forces within each country.

THE RESEARCH ISSUE

This exploratory research will attempt to shed light on the following issue: are differences in complaining behavior across various countries due to culture, or are these differences due primarily to the prevailing retail policies?

Please note that we do not attempt to provide a definitive answer to this question; rather, our objectives are more modest. At this point, it is necessary to first determine whether the return policies of retailers in other countries are more similar to those in the U.S. or whether they are more restrictive and less consumer friendly. If retailers in a large number of countries have liberal and customer oriented return policies – similar to those in the U.S. – then any differences in complaint behavior could indeed be due to culture. On the other hand, if return policies in most countries are extremely restrictive – as in Turkey – it is quite possible that researchers have incorrectly attributed lower occurrences of complaining behavior in certain parts of the world to cultural values, when in fact the underlying cause was situational. Accordingly, the purpose of this research was to gain a better understanding as to whether prevailing return policies might account for differences in the complaint behavior of dissatisfied consumers in various parts of the world.

TWO STUDIES

In order to examine the research issue two exploratory studies were conducted. In the first study we asked various individuals to describe and comment on the prevailing return policies in their home countries. In the second study we provided respondents with a scenario in which a product they purchased became defective, and asked them to indicate the probability that they would return the item to the retailer if the incident

happened in the U.S., and again if the events occurred in their home country. Findings from these two studies suggest an alternative explanation for differences in cross-cultural complaining behavior.

Study #1

Methodology

In order to gain a better understanding of the retail environment in various parts of the world a qualitative study was conducted. Qualitative studies are especially useful in early stages of research for revealing rich and vivid insights into a particular topic (Denzin 2001). Accordingly, it seemed especially appropriate at this stage of research to have individuals of different nationalities discuss the return policies of retailers operating in their home countries.

Narratives were obtained via e-mail from “international” individuals who are now living (or have recently lived) in the U.S. Many of these individuals are former students of the authors, having just recently graduated (from undergraduate, masters, or doctoral programs), while others are faculty colleagues (or their spouses) who have resided in the U.S. for longer periods. These persons ranged in age from 23 to 47, have immediate family in their home countries, and have visited there recently. Some of these individuals grew up in “collectivist” countries (e.g., China), while others came from countries that are more “individualistic” (e.g., England) in orientation (see Hofstede 1980). Similarly, some were from countries with a “feminine” culture (e.g., Peru), while others were from cultures that are described as “masculine” (e.g., Germany). Their native cultures also differed in terms of “power distance” (e.g., France vis-à-vis New Zealand) and “uncertainty avoidance” (e.g., Japan vis-à-vis India). Furthermore, some of the respondents came from economically “developed” nations, while others were from “emerging” markets or from countries whose economies are “lesser developed” (World Bank 2006). (See Appendix A.) Although this was a convenience sample, the various countries

represent a rich and diverse set of cultural values and stages of economic development, thus strengthening the validity of the study and allowing us to at least tentatively make generalizations regarding the relationship between culture and complaint behavior. (Information as to respondents' backgrounds are included in Tables 1 – 3.)

Respondents were asked to describe and comment on the return and exchange policies of retailers in their home country, and to compare these policies with those of retailers in the U.S. These individuals responded to open-ended questions in writing, sharing their insights as to the types of situations in which dissatisfied consumers in their countries can (and cannot) return or exchange items. They also were asked whether retailers in their home country guarantee "satisfaction or your money back," or offer inducements such as "try it for 30 days, and return it for a full refund within 30 days if dissatisfied." More specifically, respondents were asked:

- In your experience, is it common in your home country for customers to return items that they are not satisfied with to the retail stores where the items were purchased?
- In some countries customers do not expect to be able to return items they purchase. There is an "unwritten" rule that once a person buys an item it typically is not acceptable to try to return that item. Does this situation describe conditions in your country, or can you more easily return products like in the U.S.?
- Are there any differences between retailers in your home country vs. those in the U.S. regarding the types of products they will let customers return, and the circumstances in which customers are allowed to return items (e.g., only if the item has not been opened, or only if the customer

has a receipt)? If so, please explain.

- Do retailers in your home country oftentimes offer "satisfaction guaranteed, or your money back" promises? Do retailers in your home country ever encourage consumers to "try a product for 30 days" (or something similar), with the understanding that they can return the product and get their money back if they do not like it?

Findings

The following section summarizes narratives from 25 respondents, representing 23 different countries. In the accompanying tables excerpts are presented to reflect the basic "themes" found throughout each person's response. Given the open-ended nature of the questions it is not practical to present all comments from each individual. Instead, we have attempted to highlight those statements that succinctly and vividly summarize the nature of the retail environment in each of the various countries. In order to present an unbiased depiction of these return policies we included actual quotes from each individual. Collectively, these excerpts provide a better understanding as to the extent to which complaint behavior across different countries is influenced by the prevailing return policies.

Based on the collection of responses it is apparent that the liberal, customer oriented return policy found in the U.S. retail industry is fairly unique. Of the 23 countries represented in this survey there are only four – Great Britain, Ireland, New Zealand, and the Czech Republic – in which retailers' return policies appear similar to those found in the U.S. The other respondents indicated that return policies in their home countries are more restrictive; some even stated that it was virtually impossible to return or exchange an item. Moreover, rarely do retailers offer "satisfaction guaranteed" or try to entice consumers with no-risk offers such as "try the product for 30 days and return if you don't like it".

For the sake of parsimony we grouped the various responses into three categories, with each category representing a different level of customer orientation. Responses from individuals who indicated that retailers' return policies in their home country mirror those found in the U.S. are grouped under the label of "Liberal & Customer Oriented Policies". Excerpts from individuals who indicated that return policies in their home countries are more restrictive, typically allowing only for the return or exchange of truly defective items – provided that the customer has a receipt – are listed under "More Narrow and Restrictive Policies". Lastly, under the heading of "No Returns or Exchanges Allowed" are excerpts from respondents who indicated that it was nearly impossible for consumers to return items in their home country.

Liberal & Customer Oriented Policies

Individuals from England, Ireland, New Zealand, and the Czech Republic reported that the prevailing return policies were similar to those in the U.S. (Table 1) The two respondents from Ireland and the Czech Republic, though, qualified their remarks by pointing out that retailers typically require that the product truly be defective, and was not used improperly; thus indicating that the "burden of proof" in those countries is greater than that in the U.S. Products also cannot be returned simply because "you do not like the color." Nonetheless, it appears that at least some retailers in England, Ireland, New Zealand, and the Czech Republic offer and promote "satisfaction guaranteed" policies in order to gain a competitive advantage.

Home Country	Comments from Respondents
England Male, early 40's, faculty, now living in U.K.	<ul style="list-style-type: none"> • Retailers' policies in England are very similar to those in the U.S.
Czech Republic Female, early 20's, MBA student	<ul style="list-style-type: none"> • It is a relatively common practice for customers in the Czech Republic to return goods that they are not satisfied with, especially if the cause ... is a defect of the item. • <i>The policies toward returning products are similar to those applied in the USA.</i> However, most retailers will not accept returned items ... unless they are persuaded that you did not use the product "improperly" or in any way that is explicitly forbidden in the instructions for use. • Some companies make it part of their image to accept returned products more willingly than others.
Ireland Male, mid-20's, undergrad in U.S., now living in Ireland	<ul style="list-style-type: none"> • Yes the retailer promotes the items solid as a quality product and state that if you are not happy you will get your money back. • However there are only certain things that fall under the dissatisfaction umbrella. EG. Obvious if you buy and return because you do not like the colour you will not be refunded. • [try a product for 30 days] Definitely, this is very common ...
New Zealand Male, 40's, faculty, did PhD in US, lives in N.Z.	<ul style="list-style-type: none"> • The situation in New Zealand is much like that in the USA. There is not much difference.

More Narrow and Restrictive Policies

A large number of respondents – even those from countries with developed economies – indicated that it is not common to find return policies that are as “consumer friendly” as those in the U.S. See Table 2. Instead, returns and exchanges are limited only to those situations in which the item truly is defective. Customers cannot return an item merely because they later determined that it does not fit their needs. Indeed, one individual remarked “Certainly, an argument ‘it did not really fit my needs’ will not work. The good has to be damaged.” Individuals from countries such as Belgium, France, Germany, Brazil, Japan, and Switzerland also indicated that returns and exchanges occur only when it can be demonstrated that the product truly is defective, little time has passed, and the customer has the

receipt. For example, one respondent stated that “Once you have tried/opened the item you can’t return it ... even if it is defective. Only with a receipt and if not used or opened.” Moreover, refunds are rare. Instead, retailers typically offer store credit, or will send the product to the manufacturer for repair – which can be a lengthy process. Furthermore, it is not common for retailers to promote guarantees of “satisfaction or your money back,” or offer inducements such as “try it for 30 days.” This latter concept was so “foreign” to some respondents that one remarked “If a Brazilian buy something its because he really need and why would he buy something that they may want to return?” Overall, the prevailing return policies in these countries are narrower in scope and more restrictive than those typically found in the U.S. retail industry, and guarantees of satisfaction are rare.

Table 2
More Narrow and Restrictive

Home Country	Comments from Respondents
Belgium #1 Female, mid-20’s. Undergrad in U.S., now in Belgium	<ul style="list-style-type: none"> • <i>I think it is kind of an unwritten rule that we’re not supposed to return purchased items unless they are defective.</i> • <i>I have seen people in the U.S. wearing something with the tag on so they could return it the next day. That would not happen here. ... because we kind of have to prove that the item needs to be returned/exchanged: size problem or defective.</i>
Belgium #2 Male, mid-20’s, Undergrad in U.S., now in Belgium	<ul style="list-style-type: none"> • <i>[Try it for 30 days, and return it if you are not satisfied] is not something very common around here. ...</i>

<p>France Male, late 20's, MBA in U.S., now living in France</p>	<ul style="list-style-type: none"> • <i>To return products in our country we have to respect conditions (not been opened, time). Retailers really hate to change products. It is not normal.</i> • I think it is not in our culture to return items that we are not satisfied. Of course it really depends of the product. If it's expensive we will return it. If it only concerns a small or cheap product we will ... prefer to buy another one. • I think it is more in the U.S. ... We can do that in France, because laws and rules protect buyers, but it is more difficult that in the USA. It takes [more] time to have your money back or to simply change a product. • [Try it for 30 days, and return it if you are not satisfied] is relatively new in France, because we are an old country and we need time to change our minds and to adapt them to the new marketing world of commercialization.
<p>Germany Male, late 20's, Undergrad in U.S., now in Germany</p>	<ul style="list-style-type: none"> • In Germany, customers usually don't return items when they are not satisfied. <i>If the items are broken or don't work, they can be returned, but normally only shortly after buying them even if they don't work.</i> • In the cases where something is taken back by the retail stores often only give you a voucher with the worth of the item ... so you don't get the money back. Even if there is a guarantee on the product, you often don't get a replacement, but stores would send the broken product to the manufacturing company, which is often a lengthy process. • Germany ... clearly not as liberal as in the U.S. where I had the feeling that you could bring back products for whatever reason and you will get the money back. The receipt has to be brought in any case though.
<p>Ghana Female, late 20's, recently finished PhD, now faculty, in U.S. 5 years</p>	<ul style="list-style-type: none"> • It depends on the type of retailer you are dealing with. <i>If it is a department store, you can return it for a refund if you have a receipt and if the item is unused.</i> If you bought it from a small independent stall/kiosk, you can only exchange it ... • Items like shoes and clothes can easily be exchanged. <i>It is not easy to get a refund.</i> Also, it is easier to return the item if it is unopened. Some sellers will not even exchange it if the item is opened.
<p>Japan Male, post-doc, early 30's, 9 years in U.S., traveled to Japan in 2006</p>	<ul style="list-style-type: none"> • <i>I have never thought of returning things [in Japan].</i> I don't know if it's unwritten rule. I just didn't think about it. Here (in the US), I think it's emphasized that we can return things and notice it. I have returned computer related products in the U.S. several times. Is this because the US is suing society?? Taking legal action is less common in Japan. So, that's why return policy is less available in Japan??
<p>Brazil #1 Male, early 20's, undergrad and MBA in U.S., now living in Brazil.</p>	<ul style="list-style-type: none"> • It is not common in Brazil to return items to the retail stores. • <i>One cannot return an item because he/she is not satisfied. Customers can return the item "only" if the product is not working properly, broken, or under warranty.</i> • There are ads like that [Try it and return it if you do not like it], but most of them are false advertising. If you fall for it, no one can help you. If you bought the product and you did not like it, probably you can return it, but with very high fees.

<p>Brazil #2 Male, mid-20's, MBA student, in U.S. 2 years now.</p>	<ul style="list-style-type: none"> • <i>You can only return something that is broken.</i> It is usually electronics or clothes. • [Try it for 30 days, and return it if you do not like it] In Brazil we don't have something like that. Advertisement like that sound like it is not trustworthy. If a Brazilian buy something its because he really need and why he would buy something that they may want to return?
<p>Argentina Male, early 20's, college in U.S., now living in U.S.</p>	<ul style="list-style-type: none"> • <i>In Argentina in few occasions a retailer will give you the money back.</i> For instance if you buy a two bottles of wine and then you want to return one bottle because you didn't like the wine, then the retailers will give you the money back since the other bottle was closed.
<p>Latvia Female, mid 20's, in U.S. 3 years, finished MBA, and now works in U.S.</p>	<ul style="list-style-type: none"> • <i>It is very uncommon to return purchased merchandise in Latvia</i> for the most part because it will not be refunded nor exchanged. <i>Certainly, an argument "it did not really fit my needs" will not work.</i> The good has to be damaged ... • There is an agency set up to protect customer rights, however, the outcome tends to be not favorable for the buyer. Even though laws exist providing for the refund within 2 months of purchase ... in reality it rarely happens. • People take much more time to make the purchasing decision, because ... it will not be worth their time to try to return the good if it does not meet the expectations.
<p>China Male, mid 30's, faculty, PhD in U.S., in U.S. for 7 years, in China recently</p>	<ul style="list-style-type: none"> • <i>It is not common ... for customers to return items that they are not satisfied with.</i> • In general, <i>you must have a legitimate reason</i> (e.g., the item does not work) if you want to return your purchase. You must have a receipt for the product return. • If the item has not been opened, you generally cannot return it. Remember, you must have a good reason for your return.
<p>Russia Male, late 20's, in U.S. 4-5 years. After MBA stayed to work in U.S.</p>	<ul style="list-style-type: none"> • Up until recently it was not common to return purchased items unless they were defective. Russia is just growing to the point where consumers are becoming more educated and demanding about the level of service they expect. • <i>[All sales are final] rule does apply to Russia ...</i> and products couldn't be returned "on the whim" (if a customer wasn't satisfied with a performance or color or any other reason). Fortunately, as the economy continues to evolve and retailers are becoming more aggressive in customer acquisition and retention, some of them are introducing more degree of freedom with the after-sale service and return policies. • The product can be returned if it was damaged/faulty/ and a customer kept purchase receipt and [had] service warranty (for example, with electronics). • Personal belongings such as apparel, cosmetics and beauty items, as well as leisure items (books, CDs, tapes etc.) could not be returned in any circumstances.

<p>Switzerland Female, late 20's. Ph.D. student, in U.S. 4 years. Travels to Switzerland often</p>	<ul style="list-style-type: none"> • Once you have tried/opened the item you can't return it...even if it is defective. Only with a receipt and if not used or opened. • Even if they offer it [satisfaction guaranteed], they will find an excuse/reason to not accommodate the "satisfaction guaranteed" after the purchase. • In Switzerland this rules [an "unwritten" rule that once a person buys an item it typically is not acceptable to try to return that item] certainly apply.
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No Returns or Exchanges

Individuals originally from Taiwan, Peru, Kenya, Albania, Bosnia, Pakistan, Venezuela, and India indicated that it is virtually impossible to return or exchange items in their home countries. See Table 3. Statements such as "No, it is not common and it does not happen," "It is usually not possible for customers to return an item ...," "I don't think any store would return money under any circumstances," and "... [if] you leave the store the merchandise can't be returned for any reason" exemplify the unfavorable

return policies in those countries. Several respondents indicated that consumer protection legislation is ineffective or nonexistent, and thus consumers have few rights or other options. Customers in these countries assume the financial risks of purchasing defective items, and therefore are more cautious in their purchase decisions. Indeed, one individual from Albania stated that the restrictive return policies found in that country "is one reason that high end electronic products are not very popular with customers there." Overall, the situation in these countries truly illustrates "buyer beware!"

<p align="center">Table 3 No Returns or Exchanges</p>	
Country	Comments from Respondents
<p>Taiwan Female, mid-30's, faculty, 10 years in the U.S., traveled to Taiwan last year</p>	<ul style="list-style-type: none"> • <i>It is usually not possible for customers to return an item in Taiwan.</i> • The policies in the U.S. are unbelievably generous when compared to ... Taiwan.
<p>Peru Female, early 40's, last 8 years in U.S., went to Peru this past summer</p>	<ul style="list-style-type: none"> • The shopping experience is <i>you get what you pay for and usually once you finally made a purchase you are not expect to return it.</i> • In my home country the number of large retail stores is limited and a small retail store cannot afford customers returning purchased items due to their limited stock.

<p>Kenya</p> <p>Male, early 30's, grad student, 3 years in U.S., went to Kenya last year</p>	<ul style="list-style-type: none"> • <i>No, it is not common and it does not happen.</i> • The only items that customers are allowed to take back are electronics, and not because they do not like them, but because they have found them to be defective and so they return for an exchange of the same product. • you can not return a product once purchased and customers take their own risk. In my country customer relations is not very good. ... instead of a few large retailers with brand names, we have many small retailers doing business with many customers and therefore do not get bothered about returning customers.
<p>Albania</p> <p>Male, early 20's, recently finished MBA, now living in Albania</p>	<ul style="list-style-type: none"> • <i>In my country if the product is purchased and you leave the store the merchandise can't be returned for any reason ... which is one reason that high end electronic products are not very popular with customers there.</i> • The responsibility ... falls entirely into the consumer. One of the major reasons is that almost all of the products purchased are not accompanied by a receipt. • <i>Customers are the ones that are liable for products they purchase. If they think they would not be satisfied with the purchase then the customers should not have purchased it to begin with.</i>
<p>Bosnia</p> <p>Male, mid-20's, MBA student, in U.S. 2 years</p>	<ul style="list-style-type: none"> • <i>As a post-war state, Bosnia is struggling in many respects, and retailers are forced to neglect this side of customer service.</i> • People tend to fear cashiers (although this is changing for the better) as they are cold or rude, have signs indicating no returns, etc. So the shopping experience also influences <i>your perceptions of return possibilities.</i>
<p>Pakistan</p> <p>Female, mid-20's, MBA student, in U.S. 5 years</p>	<ul style="list-style-type: none"> • <i>There is no concept of trying something for 30-days and returning it if not satisfied.</i>
<p>Venezuela</p> <p>Female, mid-20's, MBA student, in U.S. 1.5 years</p>	<ul style="list-style-type: none"> • <i>Most stores simply don't accept returns or exchanges.</i> • I don't think any store would return money under any circumstances. • Exchanges are very rare but they do happen from time to time on expensive items or products with warranties. Most of the time people wouldn't even try ... you would have to pass through a complicated and time consuming process.
<p>India</p> <p>Male, early 40's, faculty, in U.S. 15 years, traveled to India last year</p>	<ul style="list-style-type: none"> • <i>There is no customer empowerment. People realize they are being 'ripped off', but if everyone is a thief, what can the customer do.</i> • Only recently legal legislation has come into play – however, the courts dealing with this type of offences are incompetent and not worthwhile for most low-budget items.

Study #2

The first study demonstrates that the return policies in different countries can vary substantially. By itself, however, this evidence is not sufficient to claim that the prevailing return policies have a greater effect on complaint behavior than does culture. Accordingly, a second exploratory study was undertaken in order to gain a better understanding as to the extent to which culture influences one's complaint behavior.

Methodology

The second study took place several months after the first study was conducted, and included many of the same respondents. Some of the original respondents had since moved back to their home countries or to other jobs, and could not be reached. Hence, additional international friends, colleagues, or former students who were living in the U.S. were contacted via e-mail. A total of 25 individuals responded (Table 4). As in the first study, this convenience sample represents individuals from a diverse set of countries.

In this second study, respondents were presented with the following scenario:

- Assume that you recently purchased a new shirt (or blouse) at a department store. After wearing it for the first time you washed the garment in cold water – with a mild detergent – as per the directions. However, after the shirt/blouse dried you noticed that the colors had faded, and consequently you are dissatisfied.

After reading the scenario subjects were asked the following question, and to respond on a seven-point scale (with -3 indicating “highly unlikely” and +3 indicating “very likely”):

- If you had purchased this shirt (or blouse) at a typical department store – in the U.S. – what is the likelihood that you would attempt to return it, and ask for a refund (or to exchange it)?

Similarly, subjects were asked to respond as though this same thing happened in their home country, and to indicate the probability of returning the item for a refund or exchange.

Consistent with previous work by Hofstede (1980), Triandis (1982), and Schwartz (1992) the resulting analyses were based on the assumption that one's underlying cultural values are fairly stable, and do not vary depending on the situation. Accordingly, if complaint behavior is primarily a function of a consumer's underlying cultural values then there should be little difference in the likelihood that one would return the product in the U.S. vs. in one's home country. On the other hand, if complaint behavior is largely a function of the prevailing return policies within a given country there should be a significant difference in the probability of seeking a refund or exchange if the events took place in the U.S. as compared to one's home country.

Subjects' responses to the two questions are shown in Table 4. In almost all cases respondents indicated that the probability that they would seek a refund or exchange was greater assuming that they were living in the U.S. vis-à-vis their home countries. A few individuals reported that the probabilities were equal (i.e., respondents from Ghana, India, and the Czech Republic), but in no instance was the likelihood of requesting a refund or exchange greater if the events happened in one's home country as compared to the U.S. Overall, the average “difference score” was 2.96, which is statistically significant ($t_{24} = 5.40, p < .05$), suggesting that dissatisfied consumers' complaint behavior is heavily influenced by the prevailing return policy.

Table 4
Results from Study #2

Country	Occurred in the U.S.	Occurred in Home Country	Absolute Difference Score
Albania	3	-2	5
Belgium	2	1	1
Bosnia	3	2	1
Brazil	3	0	3
Brazil	3	-3	6
China	0	-3	3
Czech Republic	-2	-2	0
Germany	2	-1	3
Ghana	-3	-3	0
Hong Kong* ¹	3	-1	4
India	-3	-3	0
Ireland	1	-1	2
Japan	-1	-3	2
Kenya	-1	-3	2
Latvia	2	-1	3
Iran* ²	2	-3	5
Pakistan	3	-3	6
Peru	2	-2	4
Russia	3	-3	6
Russia* ³	3	2	1
Switzerland	2	-2	4
Taiwan	3	0	3
Turkey* ⁴	3	-1	4
Turkey* ⁵	3	0	3
Venezuela	-1	-3	2
Averages	1.38	-1.54	2.96

Unless noted by an asterisk, the individual from a particular country in Study 2 is the same person as in Study 1. Respondents who were new to Study 2 are listed below. A few individuals in Study 1 – England, New Zealand, Belgium #2, France, and Argentina – did not participate in Study 2.

*¹ Female, mid-30's, 8 years in U.S., last in H.K. in 2006

*² Female, mid-40's, living in US 20+ yrs, visited Iran in 2006

*³ Female, early 20's, grad student.

*⁴ Female, mid-30's, 5 years in U.S., last in Turkey in 2005

*⁵ Male, early 40's, 6 years in U.S., last in Turkey in 2005

CONCLUSIONS AND IMPLICATIONS

The findings from these two studies indicate that complaint behavior is largely dependent upon the prevailing return policies in a given country. The first study established that there are indeed significant differences in retailers' return policies throughout North and South America, Europe, Asia, and Africa; while the second study provides evidence that complaint behavior is largely situational – that dissatisfied customers in countries in which return policies are moderately or extremely restrictive are significantly more likely to seek redress in those situations in which retailers' policies are more customer oriented. Although we certainly would not claim that individuals' underlying cultural values do not affect complaining behavior to some extent, it appears that culture has a lesser influence on dissatisfied consumers' decision to seek (or not seek) a refund or exchange. Regardless of the underlying cultural values of a country, we would expect to observe greater incidences of complaint behavior as the prevailing return policies become more liberal and consumer friendly.

These findings challenge conventional thought that differences in the complaint behavior of dissatisfied consumers from around the world are due to variations in their underlying cultural values. As previously noted, this study was exploratory in nature, and thus the findings are not definitive. Nonetheless, given that the analyses were based on information provided by respondents from a wide range of cultures (varying in their degree of individualism/collectivism, power distance, uncertainty avoidance, and masculinity/femininity), and from countries experiencing different stages of economic development (developed, emerging, lesser developed), the results compel the authors of this article to hope that this study will lead to a closer examination of the influence of cultural values on post-purchase complaint behavior, and will spark additional research into the effects of competitive and structural factors such as retail

policies, consumer legislation, and industry structure.

These findings have implications not only for retailers, but also for public policy makers and consumer advocacy organizations. Several respondents alluded to the fact that consumer education and more demanding service expectations were leading to the development of more liberalized return policies in their countries (e.g., see the excerpts from the Russian and German respondents). Although there are long traditions of consumer rights legislation and enforcement in some countries (e.g., the U.S., England, and New Zealand), in other parts of the world legislation and consumer protection agencies are clearly in a more formative stage. This study has indicated that consumers – of different cultures – will indeed take advantage of efforts by retailers, public policy makers, and consumer rights organizations that result in more favorable and customer oriented retail policies.

Limitations

The results of this study are subject to limitations that tend to be typical in exploratory, qualitative studies. First, data was collected via a convenience sampling of individuals whose values might not represent those of the general population of their home countries. Future research should incorporate independent measures of culture in order to determine whether respondents' values mirror those of their countrymen. Study 2 did not control for possible confounds such as the perceived ease and costs of complaining, or attribution of blame, or product importance. It is possible that returning products in the U.S. might be less time consuming, less costly (i.e., in terms of transportation), and more convenient as compared to returning items in other countries. Although the scenario indicated that the customer was not at fault, it is possible

that some respondents (e.g., those from Ghana, India, and the Czech Republic) attributed the blame to a mistake on their part. Also, respondents in countries in which return policies are restrictive might be more likely to complain when the defective product is more valuable or crucial. Future research should control for these potential confounds. More importantly, this research focused on only one type of complaint behavior; other forms such as negative word-of-mouth and sabotage were not addressed. Future research should examine whether the restrictive policies found in many countries inadvertently result in increased levels of negative word-of-mouth and or sabotage (i.e., as compared to the U.S.), and whether culture moderates these forms of complaint behavior.

Summary

The issues surrounding culture and its effects on complaint behavior are interesting, and are far from settled. Culture is pervasive, both at a macro and a micro level. At a macro level it certainly influences business practices within a given country – at least to some degree – and on a micro level it influences individuals' attitudes, perceptions, and behaviors. It is hoped that this exploratory research will lead to more innovative and thought provoking studies that provide richer insights regarding cross-cultural behavior. Collaboration by researchers specializing in culture, consumer behavior, and in retail structure could result in valuable new insights.

Appendix A					
List of Countries Represented in Studies 1 & 2					
Country	Economic Development	IND	MAS	UA	PD
Albania	developing	n/a	n/a	n/a	n/a
Argentina	emerging	med	med	high	med
Belgium	developed	high	med	high	high
Bosnia	developing	n/a	n/a	n/a	n/a
Brazil	emerging	low	low	med	high
China	emerging	low	med	low	high
Czech Republic	emerging	n/a	n/a	n/a	n/a
England	developed	high	high	low	low
France	developed	high	low	high	high
Germany	developed	med	high	med	low
Ghana	developing	n/a	n/a	n/a	n/a
Hong Kong	emerging	low	med	low	high
India	emerging	med	med	low	high
Iran	developing	low	low	low	med
Ireland	developed	high	high	low	low
Japan	developed	med	high	high	high
Kenya	developing	n/a	n/a	n/a	n/a
Latvia	emerging	n/a	n/a	n/a	n/a
New Zealand	developed	high	med	med	low
Pakistan	emerging	low	med	med	med
Peru	emerging	low	low	high	med
Russia	emerging	n/a	n/a	n/a	n/a
Switzerland	developed	med	high	low	low
Taiwan	emerging	low	low	med	med
Turkey	emerging	low	low	high	high
U.S.A.	developed	high	high	med	med
Venezuela	emerging	low	high	med	high
IND — Individualism/Collectivism MAS — Masculinity Femininity UA — Uncertainty Avoidance PD — Power Distance n/a — Information not available					

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