THE EFFORT MODEL OF CONSUMER COMPLAINING BEHAVIOR: AN UPDATE AND NEW RESEARCH DIRECTIONS

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INTRODUCTION

Voicing a complaint directly to a firm is not easy, and few consumers do it. In order for someone to initiate a complaint, the level of dissatisfaction must be sufficiently high, the problem must be consequential, and the consumer must believe that a reasonable probability of success will result. Otherwise, it is not worth the substantial amount of effort required to complain, and consequently the number of complaints received by companies is low relative to the number of dissatisfied customers.

This summarizes the thesis of the effort model of consumer complaining behavior (Huppertz 2003), and since its publication, research in the area has focused on the role of service recovery to mitigate the effects of service failures on consumer attitudes and behavior (Kim, Wang, & Mattila 2011). Easing the burden of complaining increases consumers' intentions to complain, but the strongest impact results from the expectation of success – an anticipated refund, replacement, or other remedy by the seller (Huppertz 2007).

As firms have increased their focus on customer satisfaction, they have invested in complaint handling processes, measurement systems, training programs, and service recovery protocols in the quest to develop and maintain a loyal and satisfied customer base. Complaining remains difficult, but consumers have discovered new routes to voicing their complaints, even as managers encourage them to contact the firm directly before taking any other action. In this brief review, we will examine two areas for further research, online complaining and equity theory.

ONLINE COMPLAINING

Negative Word of Mouth (NWOM) has long been studied as a response to dissatisfactory consumer experiences, but until the social media era an individual consumer's network of contacts was limited to immediate acquaintances, and even more specifically, others with some mutual interest in the product or service. Technology has changed this paradigm, and consumers can now complain to a worldwide audience of potentially millions of other consumers, and they have many more outlets for voicing their dissatisfaction (Goetzinger, Park, & Widdows 2006; Ward & Ostrom 2006). Online intermediaries (rating websites and social media platforms) have emerged as important forums for consumer voicing, and they make it easier for people to express their opinions about goods, services, and sellers. Compared to voicing a complaint directly to a seller, it has become much easier to post complaints online, and consumers fill these sites with their comments about purchases they make, service they receive, employees they encounter, and value they derive.

Intermediaries contribute to market functioning by facilitating the distribution of goods and services, and in this case, they facilitate complaint voicing. Online forums for complaining tend to fall into two categories: 1) Informal social networks on social media platforms (e.g., Facebook, Twitter); and 2) Retail websites that incorporate consumer ratings and comments sections (e.g., Amazon, Expedia, TripAdvisor). The latter has been studied much more extensively than the former (Chevalier & Mayzlin 2010; Dellarocas & Narayan 2006; Decker & Trusov 2010; Goetzinger, Park, & Widdows 2006). More research is needed to understand how consumers employ their personal social networks to voice

complaints and how firms respond to the criticism, as well as exploring the intermediary function they serve. Voicing opinions about products, services, and companies has become part of the culture, so if something goes wrong, posting a negative comment about the experience is simply part of the consumer's daily routine. To some extent, these intermediaries serve the function of third parties that consumers turn to in order to enhance their power over firms. However, unlike the third-party voicing that Hirschman (1970) suggests as a potential response to dissatisfaction, consumers have no expectation of action by business or legal authorities, rather they derive power from the damage their NWOM can do among their informal networks of social contacts.

Of course, firms would prefer that consumers voice complaints to them directly, where they can initiate recovery processes and resolve problems to the customer's satisfaction, and perhaps more importantly, voicing a complaint to the firm keeps the matter out of public view. Given the prevalence of online complaint posting, many firms employ representatives to monitor these posts on both social media platforms and retail websites where they can respond to individual consumers' complaints, apologize, and offer to resolve the problem offline. This allows the firm to not only demonstrate to the audience that they pay attention to consumers' problems and take complaints seriously, but also to move discussion the out of the public forum to a private communication space. There the firm can limit the NWOM to that which the consumer has already posted, reducing further damage to their image and reputation (Van Noort & Weillemsen 2012).

The phenomenon of consumer complaint voicing in social media is understudied, and several issues can be further explored. In particular, researchers can examine consumers' expectations of company response when they post negative comments online; the consumer's perception of the effect of their posts remains largely unexplored. If consumers have no expectation of a response from the offending firm, their motivation for posting complaints online could range from protecting fellow consumers by steering others away from the seller, attempting to hurt the offending firm by damaging its reputation, or simply venting their protests about the actions of the firm. All of these motivations have been studied in a traditional NWOM context, but they may differ in online consumer complaining posts (Hennig-Thurau, Gwinner, Walsh, & Gremler 2004; Sparks & Browning 2010), especially since online posting behavior requires so little effort. Finally, the interaction of online NWOM and the type of product or service needs further study. There are some goods and services whose failures do not lend themselves to resolution by the firm, either because they are too expensive or because the damage done by the failure cannot be reversed. For example, defective new cars are unlikely to be replaced, no matter how serious the defects which are usually they are repaired by the dealer; and a hospital cannot simply resolve medical errors with a refund or replacement. These problems are very likely to be talked about on social media, and because they involve significant consequences, consumers may involve other third parties (e.g., litigation).

EQUITY THEORY

Researchers have used justice theories to explain the link between feelings of dissatisfaction and consumers' decisions to complain (Harris, Thomas, & Williams 2013). In the context of the effort model, equity theory works well because it involves a cost-benefit calculation (ratio of outcomes to inputs) to explain consumer dissatisfaction resulting from service failures or poor quality. Even if the consumer's complaint is successful and results in a full refund, for example, inequity could result because the effort required to lodge the complaint outweighed the benefit from its resolution. Furthermore, the effort needed to involve official third parties produces inequity because even if it succeeds, the consumer had to exert a great deal of additional effort to complain to the third party, and often the third party, not the company, gets credit for resolving the problem (Cronin & Fox 2010).

The equity theory framework can also be used to help explain online postings of complaints in the intermediary spaces of social media. Consumers who choose this route expend very little effort; they have a low probability of increasing their own outcomes, but they can decrease the seller's outcomes by discouraging others from patronizing them.

For many consumers, third party complaining behavior is activated by emotion triggered by service failure after first-stage complaints go unresolved (Tronvoll 2011). If the problem does not get fixed after the consumer has gone to the trouble to complain directly to a seller, inequity increases, and third parties may be brought in. Online, some offended consumers let loose on the sellers, expressing negative emotion. This is a fertile area for further research.

Finally, consequences of service failures matter, and equity theory can be used to examine their effects. Note that the consequence of dissatisfactory experiences with goods and services is not the same as product importance, which has been found to moderate the relationship between perceived performance and satisfaction (e.g., Tam 2011; Wangenheim 2003). The same service failure can have different consequences for different consumers, thus triggering different responses. For example, consider the case of two passengers who booked seats on the same flight. One purchased her seat to get to an important business meeting where a big transaction was at stake, while the other planned to take the same flight for a casual visit with her children. Due to a crew scheduling foul-up, their flight gets canceled, and both passengers are re-booked on a later flight that will arrive at their mutual destination eight hours later than scheduled. One airline customer misses an appointment and loses an opportunity; the other's visit is delayed. Two different levels of inequity result, and two different responses may occur. When such a service failure occurs that produces severe negative consequences, much more is needed to remedy the situation; the consumer is greatly impacted, strong negative emotions result, and the cost benefit ratio is altered. The effort that each consumer will exert to voice a complaint is likely to vary with not only the product importance but also

the consequences he/she suffered as a result of the failure. This is an important area for further research.

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