

# THE A-CRAFT MODEL OF ORGANIZATIONAL RESPONSES TO CUSTOMER COMPLAINTS AND THEIR IMPACT ON POST-COMPLAINT CUSTOMER BEHAVIOR

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## ABSTRACT

This research presents a model of organizational responses to customer complaints, detailing how customers evaluate those responses through the mediating effects of perceived justice and satisfaction and estimates the impact of those responses on post-complaint customer behavior.

The results provide plausible support for the model. The relationship between the organizational responses and the perceived justice dimensions (distributive, procedural, and interactional) was largely validated, showing that consumers could differentiate between an organizational response, and how they felt about such a response. However, the effect of some of the relationships between the perceived justice dimensions and post-complaint customer behavior were largely indirect through the satisfaction variable.

This research provides empirical evidence for this important area of research, thereby furthering our understanding of customer perceptions of complaint handling techniques. The model allows managers to accurately estimate consumer post-complaint repurchase behavior based on organizational response levels, thus allowing complaint handling optimization.

## INTRODUCTION

Recent research into complaint management over the past ten years has revealed a plethora of articles purporting to show where we are as a discipline and where we are headed. Davidow (2003) started it off by throwing down the gauntlet on what we know and what we don't know about complaint handling. Most of his research propositions remain untested. De Matos et. al (2007) took an empirical meta analysis look at the much maligned service recovery paradox and found support for an increase in satisfaction, but no

support for increases in repurchase intentions, corporate image and word of mouth. This raises questions about the importance of satisfaction in determining repurchase intentions and word of mouth. Orsinger et al. (2010) did an empirical meta-analysis looking at complaint satisfaction as a mediator between perceived justice outcomes such as overall satisfaction, word of mouth and repurchase intentions. They found that while complaint satisfaction mediated the effects of perceived justice on word of mouth, it did not mediate the impact of perceived justice on overall satisfaction and repurchase intent. Missing is the antecedents of perceived justice. Gelbrich and Roschk (2011) looked at a meta-analysis of organizational responses leading to perceived justice, then satisfaction, culminating in loyalty (repurchase) and positive word of mouth. While all of these articles shone a light on different areas of complaint handling, we are still missing a comprehensive model of complaint handling from the organizational perspective. That is the purpose of this article.

The quality of a company's relationship with customers is a central determinant of its long term viability (Conlon and Murray 1996). Maintaining this relationship in the midst of customer problems with the product is the purpose of complaint handling. In practical terms, this means focusing on active post-complaint customer behavior such as repurchase or word of mouth rather than emotions and attitudes such as satisfaction and company image. The only reason to handle customer complaints effectively is to maintain the relationship between the customer and the organization. Satisfaction is only a means to the end.

Recent research has also focused on complainers' perceived justice and overall satisfaction with the organizational response, and its impact on repurchase intentions

(Orsinger et al. 2010). However, by focusing only on the consumer reaction to the organizational response, these models have also missed the point, missed the elusive connection between the various dimensions of the overall organizational response and post-complaint customer behavior. Indeed, as Conlon and Murray (1996) stated, little is known about how best to manage this process from an organization's perspective. While we have made some progress in this regard, this statement still rings true today.

We do not disagree with Blodgett (1994) or Orsinger (2010), who suggested that perceived justice (by the complainers) is a major determinant of complainers' repatronage intentions, however, we do feel it does not go far enough. Perceived justice is dictated by the organizational response to the complaint in the first place. In other words, it is how an organization responds to the complaint that is the prime indicator of post complaint customer behavior as suggested by Gelbrich and Roschck (2011).

Here, the evidence is scathing. Andreassen (1988) reported that one third of complaints ended with an unsatisfactory resolution. We have not gotten any better over the last thirty years. Kelly, Hoffman and Davis (1993) reported that over one third of retail recovery strategies were unacceptable to customers. Oliver (1997) found it reasonable to conclude that 50% (plus or minus 15%) of all complainers will remain dissatisfied even after receipt of redress from the firm. Broetzmann (2013) found that 56% of complainers felt that the organization did nothing to handle their complaint, up from 50% in 2003.

How organizations should handle complaints remains almost as much an enigma today as it did in the past. Managerial recommendations concerning how companies should respond to customer complaints have been developed (e.g., SOCAP 1994) and six different dimensions of organizational response were identified and tested in a complaint recovery model (Davidow 2000). However, to date, no other research study has addressed more than three of them simultaneously, and of those studies focusing on three dimensions, few have ever focused on the same three dimensions (see Davidow 2003 for review). By not focusing on all six dimensions, current research has mis-specified

the organizational complaint response model. In their meta-analysis, Gelbrich and Roschck (2011) tested only three dimensions, because not all six organizational responses have empirical relationships with every other construct in prior studies. They also claimed that the three dimensions chosen represent higher order factors of organizational responses.

From a managerial perspective, this lack of knowledge regarding the salient dimensions of organizational responses restricts companies' ability to develop long term customer retention strategies. Where does a company invest resources to manage customer complaints most effectively? Which of the six response dimensions is most critical in impacting post-complaint customer responses? Not knowing these answers precludes management from maximizing post-complaint repurchase intentions and optimizing organizational complaint responses.

From a theoretical perspective, not having an integrative framework that can explain the impact of the various organizational response dimensions on post-complaint customer behavior precludes our understanding of why or how the organizational response dimensions motivate customer behaviors, such as word of mouth activity or intentions to repurchase. It is not enough to know what works, we must be able to determine why it works, in order to be able to adapt to different situations.

One useful framework that has proven useful in the complaint management literature (Orsinger et al. 2010) is based on the justice literature. There are three types of justice, distributive (outcome based), procedural (procedure based), and interactional (enactment based). A company's complaint handling procedures lead to an interaction with the customer, at the end of which, a decision is made. Justice is considered an antecedent of satisfaction, leading to repurchase intentions and word of mouth activity (Tax, Brown and Chandrashekar 1998). Current research postulates that if we want to understand post-complaint customer behavior, we must first understand the three dimensions of perceived justice, and how they impact customer's attitudes, satisfaction and behaviors. However, as mentioned earlier, the customer's perceptions of fairness are prompted by the

actual organizational response. How the organization responds must be separated from how the complainers feel about that response. We must also investigate how these response dimensions affect the perceived fairness of the organization.

While previous research has largely ignored the possibility of mediators, it is the purpose of this research to first examine collectively the six dimensions of organizational responses, and then to investigate the mediating effect of perceived justice on the relationship between organizational responses and post-complaint customer responses in order to better understand the underlying nature of that relationship. More importantly, the perceived justice dimensions provide a specific framework for understanding why customers behave the way that they do (given a response to their complaint), thus adding managerial relevance to the theoretical relevance of the three justice dimensions.

This research will make several contributions. First, it will investigate the full spectrum of six organizational response dimensions and their direct influence on perceived justice and indirect influence on post complaint customer responses.

Second, this research will recognize the importance of the three justice dimensions as mediators in the relationship between the organizational responses and post complaint customer responses thus extending previous research by recognizing the cognitive process involved in a customer evaluating the organizational handling of a complaint.

Third, this research will extend the justice literature by enabling us to measure the impact of organizational response actions on the perceived justice dimensions. This addresses some of the limitations addressed by Blodgett (1994), such as adding key variables to the complaint handling model, and specifically addressing the three components of perceived justice.

Fourth, this research addresses the impact and importance of the perceived justice dimensions on post complaint customer responses, further building on previous research (Bowman and Narayandas 2001), with particular emphasis on intentions to repurchase, and word of mouth activity (also addressing limitations noted by Blodgett 1994,

such as addressing the valence as well as the nature of the word of mouth).

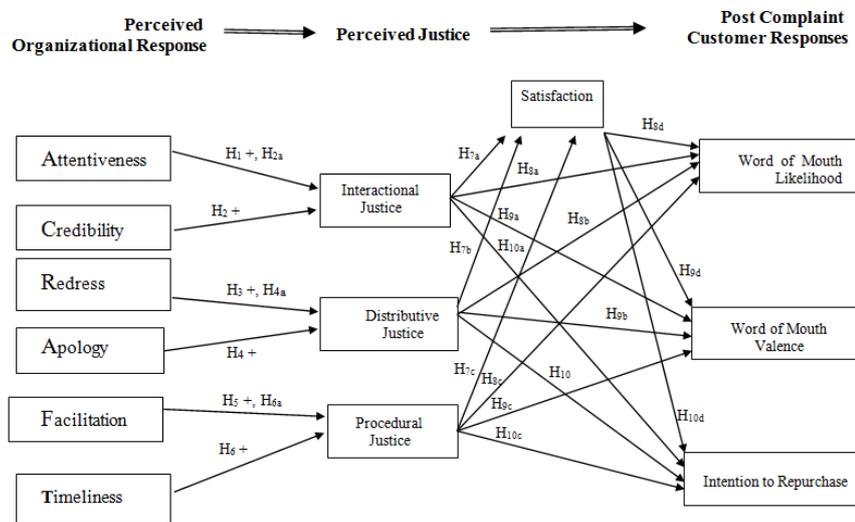
Lastly, it will enable us to determine, for the first time, the relative importance of each organizational response dimension in directly impacting each dimension of justice as well as the indirect influence of each response dimension on each facet of post complaint customer behavior (repurchase intentions, likelihood and valence of WOM).

### CONCEPTUAL DEVELOPMENT OF THE MODEL

From a process perspective, complaint handling can be viewed as a sequence of events in which a procedure, beginning with communicating the complaint, generates a process of interaction through which a decision and outcome occurs (Tax, Brown and Chandrashekar 1998). The process is composed of three separate stages (see figure 1): perceived organizational response, perceived justice and satisfaction from that response, and the post complaint customer responses.

In the proposed model, the perceived response received by the complaining customer drives their feelings of perceived justice and satisfaction from the handling of the complaint, which in turn influences the customer's decisions regarding post complaint behavior such as word of mouth and repurchase behavior. In other words, how a company is perceived to respond to a complaint influences the likelihood of future repurchase and word of mouth activity by the complainers. Since the success of complaint handling is determined by the repurchase rate of the complainers (and not by satisfaction from the complaint handling, or some other measure), being able to analyze how perceived organizational responses influence repurchase behavior is an important managerial tool. This ability to decompose the overall satisfaction from complaint handling (inactionable) into separate actionable dimensions of the organizational response will enable managers to pinpoint areas for improvement and better enable researchers to understand the dynamics of complaint management. There are several

Figure 1  
Hypothesized Relationships of the A-CRAFT Model



situational variables that may confound the results of any complaint handling model.

These include attributions of blame (Folkes 1984; Blodgett, Granbois & Walters 1993), situation importance (Richins 1981; Blodgett, Granbois & Walters 1993), and the consumer's attitude towards complaining (Richins 1980; Blodgett, Granbois & Walters 1993). In the present study, these variables were measured, and their effect was neutralized. Thus the effects of the model are clean of these confounding variables. This will be discussed in depth in the methodology section.

### Relationships Between Organizational Response and Justice Dimensions

Organizational responses to customer complaint behavior are perceived and evaluated by the complainers on six basic dimensions (see Davidow 2000) and are summarized here by their acronym A-CRAFT; attentiveness, credibility, redress, apology, facilitation, and timeliness. These dimensions comprise the various facets of organizational complaint handling.

### Attentiveness

This dimension captures the interaction between the company representative and the complainer. It addresses the style with which a decision is implemented, or the enactment of a company's procedures. Garrett, Meyers and Camey (1991) demonstrated that communication between the customer and the organization is a key construct in most complaint management situations. Lewis (1983) found that the way a complaint is handled is a major factor in the repurchase decision.

Attentiveness is comprised of courtesy and respect, which have been identified as principles of interactional justice (Bies and Moag 1986; Colquitt et al. 2001)), but it also includes factors such as empathy and willingness to listen. Empathy is identified as one of the five dimensions of service quality (Parasuraman, Zeithaml, and Berry 1988) embodying the provision of caring, individualized attention. A willingness to listen is at the center of any complaint handling incident (Jenks 1993). It sets the pace for the rest of the interaction by showing a customer that the company cares. This dimension is people oriented rather than process or outcome oriented. It does not focus

on what should be done (policies and procedures), but rather what was done (actual personal interaction). In light of this reasoning, it is hypothesized that:

**H<sub>1</sub>:** *The higher the perceived level of organizational attentiveness, the higher the customer's perceived interactional justice level.*

Credibility means acknowledging the complaint, and recognizing that it has validity in the complainer's eye. It is the willingness of the organization to offer an explanation for the problem. A good explanation will give the customer further support that the complaint was justified, and that management is taking the complaint seriously. Organizations are evaluated not only by their individual response to the complaint, but also by their explanation or account of what happened, and what the company is going to do about preventing it in the future (Morris 1988). The repurchase intentions of complainers are highly correlated with the actions taken by the organization to correct a problem (Lewis 1983). Customers have a tendency to be able to differentiate between honest attempts at introspection and smokescreen tactics that imply going through the motions or a lack of interest in the problem. Honesty is cited as one of the principles of interactional fairness (Colquitt et al. 2001). Explanation, or justification is one of the four basic principles of fair communication (Bies and Moag 1986), which is an element of interactional justice. It is therefore hypothesized that:

**H<sub>2</sub>:** *The higher the perceived credibility of the company, the higher the customer's perceived interactional justice level.*

Given the strong emphasis on the interpersonal aspects of interactional justice, it appears that attentiveness would carry more weight than credibility when determining their impact on interactional justice. Empathy and respect will affect the credibility message as well because the method of delivery is just as important as the message itself. In light of this, it is hypothesized that:

**H<sub>2a</sub>:** *Attentiveness will have a stronger impact on interactional justice than credibility.*

### **Redress**

Customers complain after going through some form of cost/benefit analysis (Day 1984). It stands to reason that they will evaluate an organizational response based on the benefits actually received. Customers expect this response to be fair, encompassing not only an attempt to fix the problem, but also compensation if the case warrants it. Compensation has a strong influence on perceived satisfaction and the intention to repurchase (Gilly 1987; Goodwin and Ross 1989). A fair resolution should be based on need, equity, or equality considerations (Deutsch 1975), depending on the circumstances. A delayed flight may only inconvenience one traveler, who has a flexible schedule, while it may victimize another traveler who needs to reach a business meeting on time. In this case, compensation based on equity or equality would be unacceptable. Based on this line of reasoning, it is proposed that:

**H<sub>3</sub>:** *The fairer the organizational response is perceived to be by the customer, the higher a customer's perceived level of distributive justice.*

### **Apology**

Apologies are one of the most powerful social exchanges between people (Barlow and Moller 1996). Genuine apologies can repair relationships while insincere apologies can further damage a relationship. An apology indicates that the relationship is important. According to Andreassen (1988), dissatisfaction can be caused psychologically as well as physically, therefore the loss suffered by the customer can be psychological or physical. Indeed, some complaints cannot be addressed in a satisfactory manner, such as lost film negatives, in the sense that no amount of compensation will restore the customer to equilibrium. In such a case, customers want a sincere apology more than anything else (Barlow and Moller 1996). According to Broetzmann (2013), in 2013 less than one third of all businesses gave an apology to complainers. An apology should be thought of as psychological compensation, in that it assists the customer to restore the equilibrium. Based on this, it is hypothesized that:

**H<sub>4</sub>:** *The more sincere the company apology is perceived to be, the higher the customer's perceived level of distributive justice.*

Given that in the case of a physical loss due to a problem, an apology is not sufficient by itself to placate a complainer, it should be expected that redress would have a larger impact on distributive justice than apology. It is therefore hypothesized that:

**H<sub>4a</sub>:** *Redress will have more of an impact on distributive justice than apology.*

### **Facilitation**

An organization is evaluated by its facilitation of the complaint process. This includes all of the policies, procedures and tools that a company has in place to support customer communications and complaints. Facilitation will enable a customer to get a complaint heard, but it does not guarantee a favorable outcome. It involves reducing the "hassle" of complaining. It seems intuitively obvious that if you can't reach the organization, you can't voice a complaint. This widens the definition of process control (see Thibaut and Walker 1975), or voice.

While they do not define it as such, Halstead and Page (1992) are referring to voice (process control) when they state that formal complaining seems to provide consumers with more than just an opportunity to obtain redress. It also allows them to articulate dissatisfaction, obtain information and/or even place blame. These actions alone may relieve some of the dissonance created by the original cause of the complaint (Halstead and Page 1992). Gronroos (1984) in his description of functional quality, states that service accessibility is based on procedures. Based on this line of reasoning, it is hypothesized that:

**H<sub>5</sub>-:** *The more a company is perceived to facilitate the complaint, the higher the customer's perceived procedural justice level.*

### **Timeliness**

Organizational responses are evaluated by how fast the customer perceives the response to be. Previous research looking at this variable has found that response speed has a positive relationship with response satisfaction and intentions to repurchase (Clark, Kaminski, and

Rink 1992; Conlon and Murray 1996; Gilly 1987). Timeliness is a procedural issue and is one of the principles of perceived managerial fairness (Sheppard and Lewicki 1987). Therefore, it is hypothesized that:

**H<sub>6</sub> :** *The faster the perceived organizational response time, the higher the customer's perceived procedural justice.*

Since the policies and procedures of a company are formalized rules, a customer knows what to expect. Any deviation from those rules would have a major impact on customer's perceptions of the company's procedural justice. Timeliness on the other hand, is not as strictly controlled. A response sent by mail may arrive faster or slower than expected due to fluctuations beyond the company's control. Therefore, the impact of timeliness is expected to be less than the impact of facilitation on procedural justice. It is therefore, hypothesized that:

**H<sub>6a</sub> :** *Facilitation will have a stronger impact on procedural justice than timeliness.*

### **Relationships Between Perceived Justice and Satisfaction**

Previous research has shown a positive relationship between perceived justice and satisfaction (Orsinger et al. 2010; Bowman and Narayandas 2001; Smith, Bolton and Wagner 1999; Tax, Brown and Chandrashekar 1998). Based on this evidence, it is therefore hypothesized that:

**H<sub>7a</sub> -** *As the level of interactional justice increases, satisfaction will also be increased.*

**H<sub>7b</sub>:** *As the level of distributive justice increases, satisfaction will also be increased.*

**H<sub>7c</sub>:** *As the level of procedural justice increases, satisfaction will also be increased.*

### **Relationships Between Perceived Justice and Post-Complaint Customer Responses**

#### **Word of Mouth**

A negative relationship between perceived justice and the likelihood of engaging in word of mouth activity has already been postulated (Blodgett, Granbois and Walters 1993; Swan and Oliver 1989). However, these results were

based on a single overall justice or equity measure. We also know that dissatisfied consumers engage in more word of mouth than satisfied consumers (TARP 1986, Broetzmann 2013) and that dissatisfied consumers are more likely to engage in negative word of mouth, while satisfied consumers are more likely to engage in positive word of mouth (Tax and Chandrashekar 1992). Blodgett and Anderson (2000) reported that dissatisfied complainers were far more likely to engage in negative word of mouth activity than satisfied complainers, while satisfied complainers were far more likely to engage in positive word of mouth activity than dissatisfied complainers.

Based on these results, it is hypothesized that:

**H<sub>8a</sub>:** *The higher (lower) the level of interactional justice perceived, the less (more) likely the complainers will be to engage in word of mouth activity.*

**H<sub>8b</sub>:** *The higher (lower) the level of distributive justice perceived, the less (more) likely the complainers will be to engage in word of mouth activity.*

**H<sub>8c</sub>:** *The higher (lower) the level of procedural justice perceived, the less (more) likely the complainers will be to engage in word of mouth activity.*

**H<sub>8d</sub>:** *The higher (lower) the level of satisfaction perceived, the less (more) likely the complainers will be to engage in word of mouth activity.*

### Repurchase Intentions

Previous research has linked intentions to repurchase to the justice literature (Orsinger et al. 2010). Blodgett and Anderson (2000) reported that satisfaction had a positive impact on repurchase intentions. Blodgett, Granbois and Walters (1993) found higher repatronage intentions among those customers who perceived that justice was served by the organizational response, than by those who perceived a lack of justice in the organizational response. Bowman and Narayandas (2001) reported that satisfaction with the response had an effect also on repurchase and also on word of mouth.

Based on this discussion, it is hypothesized that

**H<sub>10a</sub>:** *The higher the level of interactional justice perceived by the complainers, the more likely the complainers will be to show intentions to repurchase behavior.*

**H<sub>10b</sub>:** *The higher the level of distributive justice perceived by the complainers, the more likely the complainers will be to show intentions to repurchase behavior.*

**H<sub>10c</sub>:** *The higher the level of procedural justice perceived by the complainers, the more likely the complainers will be to show intentions to repurchase behavior.*

**H<sub>10d</sub>:** *The higher the level of satisfaction perceived by the complainers, the more likely the complainers will be to show intentions to repurchase behavior.*

## STUDY METHODOLOGY

### Design

A cross sectional survey design with controlling variables was chosen to test the proposed model. Respondents were asked to describe and analyze their reactions to a significant complaint experience they had encountered in the last few months. In the first part of the questionnaire respondents were asked to describe in detail the incident. This served to remind them of the specifics of the incident, thus reducing selective bias. Respondents then filled out the questionnaire analyzing their complaint experience in detail.

### Sample

The respondents were 336 students (out of over 500 enrolled) in an introductory marketing class at a large southwestern university, who had complained in the last six months and received an organizational response. The questionnaire was voluntary and did not offer any incentive to the students. 46% of the sample was female, while almost 80% of the sample earned less than \$750 a month. More than 25% of the complaints involved the food industry, almost 20% involved a retail store, and almost 10% involved auto repair.

### Scale Development

Following the guidelines proposed by Churchill (1979), an exhaustive literature search was undertaken, to analyze those criteria by which customers judge organizational responses to complaints. Key informants from the Society of Consumer Affairs Professionals, and the International Customer Service Association were interviewed. An open ended survey was administered to 125 undergraduates at a large southwestern university asking them to describe: their last complaint to an organization, what caused the dissatisfaction, why they chose to complain, their level of satisfaction from the organizational response, and the key factors that determined this satisfaction. This led to the development of six dimensions of organizational response, as well as providing a large pool of scale items for each dimension.

Each of the scales (see Table 1) was independently tested using exploratory factor analysis and reliability tests, and further refined using a series of pretests. The items were then combined in a single confirmatory factor analysis to determine that each construct loaded heavily on only one dimension, and that the three scales were not overlapping. The analysis was first done by utilizing the covariance matrix of all the variables in LISREL 8 (Joreskog and Sorbom 1996). A further analysis utilizing the correlation matrix revealed no major differences. Table 1 lists the actual items, their squared multiple

correlations (SMC), the constructs they load on, and the reliability and variance extracted of each measure from the final partial correlation matrix utilized to handle the situational variables. Reliability ranged from a low of 0.755 to a high of 0.959, the variance extracted ranged from a low of 0.506 (above the minimum of 0.500 suggested by Bagozzi and Yi 1988; Fornell and Larcker 1981) to a high of 0.886. Table 2 shows the goodness of fit measures both the measurement and structural models based on the partial correlations matrix. The normed  $\chi^2$  ( $\chi^2$  relative to the degrees of freedom) of the measurement model was 1.701 (far below the recommended 2.0), the root mean square error of approximation, and the standardized RMR are both well below the recommended 0.05. While the adjusted goodness of fit is only 0.821, both the normed fit index and the Tucker Lewis index are over the recommended 0.900 (see Hair et al. 1998). Convergent validity is demonstrated by the high factor loadings on the represented construct, while discriminant validity is supplied by the test of validity (Anderson and Gerbing 1988; Bagozzi and Warshaw 1990), where the correlation of two factors is less than 1.0 by more than twice their respective standard errors. Correlations of the constructs from the measurement model are shown in Table 3.

**Table 1**  
**Operationalization of the Variables**

| Items  | Reliability  | Variance<br>Extracted | SMC   |
|--|--------------|-----------------------|-------|
| <b>Attentiveness</b>   | <b>0.883</b> | <b>0.717</b>          |       |
| 1) The representative treated me with respect.   |              |                       | 0.567 |
| 2) The representative paid attention to my concerns.   |              |                       | 0.763 |
| 3) The representative was quite pleasant to deal with.   |              |                       | 0.820 |
| <b>Credibility</b>   | <b>0.757</b> | <b>0.525</b>          |       |
| 1) The company did not give me any explanation at all. (R)   |              |                       | 0.206 |
| 2) I did not believe the company explanation of why the problem occurred. (R)  |              |                       | 0.614 |
| 3) The reason that the company gave for the problem did not seem very realistic. (R)                                       |              |                       | 0.753 |
| <b>Redress</b>   | <b>0.758</b> | <b>0.517</b>          |       |
| 1) After receiving the company response, I am in the same shape or better than I was before the complaint.                 |              |                       | 0.543 |
| 2) The company response left me in a similar or improved position to where I was before the problem.                       |              |                       | 0.693 |
| 3) The outcome that I received from the company returned me to a situation equal to or greater, than before the complaint. |              |                       | 0.313 |
| <b>Apology</b>   | <b>0.896</b> | <b>0.743</b>          |       |
| 1) I received a sincere "I'm sorry" from the company.  |              |                       | 0.711 |
| 2) The company gave me a genuine apology.  |              |                       | 0.834 |
| 3) The company expressed regret for the inconvenience.   |              |                       | 0.683 |
| <b>Facilitation</b>  | <b>0.755</b> | <b>0.506</b>          |       |
| 1) The company would not adapt their complaint handling procedures to deal with my situation. (R)                          |              |                       | 0.539 |
| 2) Following company guidelines made it a big hassle to complain. (R)  |              |                       | 0.504 |
| 3) It was hard to figure out where to complain in this company. (R)  |              |                       | 0.477 |
| <b>Timeliness</b>  | <b>0.891</b> | <b>0.731</b>          |       |
| 1) It took longer than necessary to react to my complaint. (R)   |              |                       | 0.710 |
| 2) They were very slow in responding to the problem. (R)   |              |                       | 0.761 |
| 3) The complaint was not taken care of as quickly as it could have been. (R)   |              |                       | 0.722 |
| <b>Procedural</b>  | <b>0.839</b> | <b>0.637</b>          |       |
| 1) I feel the guidelines used by the company to process my complaint were fair.  |              |                       | 0.691 |
| 2) I believe that this company is not equipped to deal with complaints in a timely fashion.                                |              |                       | 0.455 |
| 3) I believe that the company guidelines for listening to and processing customer complaints are fair.                     |              |                       | 0.764 |
| <b>Distributive</b>  | <b>0.911</b> | <b>0.774</b>          |       |
| 1) I am pretty happy with what the company gave me.  |              |                       | 0.822 |
| 2) I consider the outcome that I received from the company as unfair.  |              |                       | 0.687 |
| 3) I think that the result I got from the company was appropriate.   |              |                       | 0.812 |
| <b>Interactional</b>   | <b>0.959</b> | <b>0.886</b>          |       |
| 1) I felt that the representative was very courteous.  |              |                       | 0.867 |
| 2) I felt like the representative really cared about me.   |              |                       | 0.856 |
| 3) I believe that the representative was very considerate.   |              |                       | 0.934 |
| <b>Satisfaction</b>  | <b>0.957</b> | <b>0.881</b>          |       |
| 1) My satisfaction with the company has increased.   |              |                       | 0.850 |
| 2) My impression of this company has improved.   |              |                       | 0.901 |
| 3) I now have a more positive attitude towards this company.   |              |                       | 0.892 |
| <b>Word of Mouth Likelihood</b>  | <b>0.831</b> | <b>0.623</b>          |       |
| 1) I am likely to tell as many people as possible about my complaint experience.   |              |                       | 0.526 |
| 2) I am likely to talk about my complaint experience with anyone who will listen.  |              |                       | 0.772 |
| 3) I am likely to mention my complaint experience at every chance.   |              |                       | 0.572 |
| <b>Word of Mouth Valance</b>   | <b>0.814</b> | <b>0.595</b>          |       |
| 1) While talking about my complaint, I emphasize how well the company took care of it.                                     |              |                       | 0.605 |
| 2) Whenever I talk about my complaint, I stress the positive way that the company reacted.                                 |              |                       | 0.695 |
| 3) When I talk about my complaint experience, I let people know how poorly it was handled by the company. (R)              |              |                       | 0.484 |
| <b>Repurchase Intentions</b>   | <b>0.844</b> | <b>0.643</b>          |       |
| 1) This brand will continue to be my main purchase choice in the future.   |              |                       | 0.566 |
| 2) I will use this brand much less in the future. (R)  |              |                       | 0.683 |
| 3) I will probably switch to another brand in the future. (R)  |              |                       | 0.681 |

### Confounding Variables

Several variables have been shown to have a significant impact on complaint behavior (Andreasen 1988; Blodgett, Granbois and Walters 1993) and could potentially influence post complaint customer behavior. In order to minimize any potential influence of these variables on the perceived justice of the organizational response, or the post complaint customer behavior, these variables were controlled to the extent possible. Three confounding variables were included in the study; attitude towards complaining, situation importance and attributions of blame for the dissatisfying incident.

Situation importance, or how important was the incident to the complainers, has a positive relationship with complaint behavior (Andreasen 1988; Dellande 1995, Richins 1985). The more important the incident, the more likely the consumer is to complain. It is therefore possible that it may also influence the perceived fairness of the organizational response. Situational importance is measured by a single item scale.

Blame for the complaint incident has an effect on whether consumers complain or not. Consumers who feel the company is to blame for the incident are more likely to complain than consumers who feel that they are at least partially to blame for the complaint incident (Andreasen 1988; Folkes 1984). These attributions may also affect consumer perceptions of the organizational response fairness. Attributions of blame are measured by a single item measure.

Attitude towards voicing a complaint has a significant positive effect on complaint behavior. The more positive a consumer's attitude towards complaining, the more likely a consumer will be to complain (Andreasen 1988, Halstead and Droge 1991). This attitude may also influence consumer's perceptions of

the fairness of the organizational response. Attitude towards complaining is measured as a single item scale.

The covariates were all first tested using regression analysis. The post complaint customer responses (repurchase and WOM) were used as dependent variables and the three justice dimensions and satisfaction as independent variables together with the covariates. Since one or more of the three covariates was significant in each relationship, it would appear that the covariates do have a significant influence on the model. Therefore, the decision was made to test the model after partialing out the effect of the covariates. The technique used was to partition out the effect of the covariates by using partial correlations, and then inputting the partial correlation matrix into the structural equations model instead of the covariance matrix (see Newcomb and Bentler 1988). This procedure eliminates all the variance associated with these three variables, thus allowing the model to reflect the actual relationships between the hypothesized variables.

Before using a partial correlation matrix, the original model was tested again using a correlation matrix instead of a covariance matrix in order to insure that there was no significant difference in the analysis between the two matrices. The results showed no differences in goodness of fit between the covariance matrix and the correlation matrix. Having shown that either matrix was a viable choice for the analysis, the model was then run using a partial correlation matrix to eliminate the influence of the three confounding variables. The results are fairly similar to the correlation and covariance matrices regarding the goodness of fit measures, thus allowing us to proceed with the analysis.

**TABLE 2**  
**Goodness of Fit Measures for the Tested Model**

|                                     |                         |                        |
|-------------------------------------|-------------------------|------------------------|
| chi <sup>2</sup>                    | Measurement<br>1061.172 | Structural<br>1254.499 |
| d.f.                                | 624                     | 657                    |
| Normed Chi Square                   | 1.701                   | 1.909                  |
| Root Mean Square                    |                         |                        |
| Error of Approximation (RMSEA)      | 0.0455                  | 0.0525                 |
| Standardized RMR                    | 0.0456                  | 0.051                  |
| Goodness of Fit                     | 0.857                   | 0.838                  |
| Adjusted Goodness of Fit            | 0.821                   | 0.808                  |
| Normed Fit Index                    | 0.902                   | 0.891                  |
| Tucker Lewis (Non Normed Fit) Index | 0.949                   | 0.937                  |
| Comparative Fit Index               | 0.957                   | 0.944                  |
| Critical N                          | 213.501                 | 199.748                |

**TABLE 3**  
**Correlations Between Variables (Phi) Based On Partial Correlation Matrix**  
**Estimates, Standard Deviations, and t-value\***

|                   | 1                           | 2                           | 3                            | 4                            | 5                           | 6                          | 7                         | 8                          | 9                          | 10                         | 11                         | 12                         | 13   |
|-------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|-----------------------------|----------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------|
| Procedural (1)    | 1.00                        |                             |                              |                              |                             |                            |                           |                            |                            |                            |                            |                            |      |
| Distributive (2)  | 0.815<br>(0.027)<br>30.350  | 1.00                        |                              |                              |                             |                            |                           |                            |                            |                            |                            |                            |      |
| Interactional (3) | 0.792<br>(0.027)<br>29.317  | 0.723<br>(0.031)<br>23.678  | 1.00                         |                              |                             |                            |                           |                            |                            |                            |                            |                            |      |
| Satisfaction (4)  | 0.794<br>(0.027)<br>29.318  | 0.851<br>(0.020)<br>43.470  | 0.0.749<br>(0.027)<br>27.728 | 1.00                         |                             |                            |                           |                            |                            |                            |                            |                            |      |
| Likelihood (5)    | -0.292<br>(0.061)<br>-4.806 | -0.245<br>(0.060)<br>-4.079 | -0.251<br>(0.058)<br>-4.311  | -0.220<br>(0.058)<br>-3.703  | 1.00                        |                            |                           |                            |                            |                            |                            |                            |      |
| Valance (6)       | 0.795<br>(0.033)<br>24.249  | 0.846<br>(0.026)<br>32.461  | 0.737<br>(0.033)<br>22.170   | 0.872<br>(0.022)<br>39.403   | -0.204<br>(0.065)<br>-3.160 | 1.00                       |                           |                            |                            |                            |                            |                            |      |
| Repurchase (7)    | 0.495<br>(0.052)<br>9.502   | 0.486<br>(0.051)<br>9.621   | 0.464<br>(0.050)<br>9.250    | 0.608<br>(0.042)<br>14.538   | -0.189<br>(0.064)<br>-2.958 | 0.548<br>(0.051)<br>10.798 | 1.00                      |                            |                            |                            |                            |                            |      |
| Attentiveness (8) | 0.819<br>(0.027)<br>30.076  | 0.740<br>(0.031)<br>23.589  | 0.978<br>(0.009)<br>114.26   | 0.0.751<br>(0.029)<br>25.881 | -0.326<br>(0.058)<br>-5.608 | 0.745<br>(0.035)<br>21.301 | 0.494<br>(0.051)<br>9.728 | 1.00                       |                            |                            |                            |                            |      |
| Credibility (9)   | 0.605<br>(0.047)<br>12.942  | 0.585<br>(0.046)<br>12.764  | 0.556<br>(0.046)<br>12.090   | 0.582<br>(0.045)<br>13.056   | -0.257<br>(0.063)<br>-4.070 | 0.618<br>(0.048)<br>12.989 | 0.363<br>(0.060)<br>6.072 | 0.607<br>(0.045)<br>13.455 | 1.00                       |                            |                            |                            |      |
| Redress (10)      | 0.700<br>(0.042)<br>16.730  | 0.871<br>(0.026)<br>33.194  | 0.600<br>(0.045)<br>13.449   | 0.739<br>(0.035)<br>21.134   | -0.273<br>(0.064)<br>-4.267 | 0.389<br>(0.044)<br>15.580 | 0.326<br>(0.063)<br>5.217 | 0.639<br>(0.044)<br>14.416 | 0.545<br>(0.053)<br>10.204 | 1.00                       |                            |                            |      |
| Apology (11)      | 0.695<br>(0.037)<br>18.763  | 0.640<br>(0.039)<br>16.506  | 0.809<br>(0.024)<br>34.005   | 0.609<br>(0.040)<br>15.399   | -0.253<br>(0.060)<br>-4.195 | 0.740<br>(0.035)<br>20.990 | 0.312<br>(0.059)<br>5.319 | 0.837<br>(0.024)<br>35.28  | 0.568<br>(0.047)<br>12.022 | 0.558<br>(0.049)<br>11.317 | 1.00                       |                            |      |
| Facilitation (12) | 0.838<br>(0.033)<br>25.115  | 0.647<br>(0.045)<br>14.381  | 0.644<br>(0.043)<br>14.843   | 0.614<br>(0.046)<br>13.481   | -0.361<br>(0.063)<br>-5.740 | 0.634<br>(0.050)<br>12.729 | 0.398<br>(0.062)<br>6.465 | 0.721<br>(0.040)<br>17.849 | 0.551<br>(0.055)<br>10.032 | 0.499<br>(0.059)<br>8.416  | 0.593<br>(0.049)<br>12.123 | 1.00                       |      |
| Timeliness (13)   | 0.691<br>(0.038)<br>18.261  | 0.529<br>(0.046)<br>11.375  | 0.481<br>(0.048)<br>10.105   | 0.531<br>(0.045)<br>11.803   | -0.218<br>(0.062)<br>-3.540 | 0.601<br>(0.046)<br>13.149 | 0.335<br>(0.058)<br>5.742 | 0.567<br>(0.045)<br>12.667 | 0.452<br>(0.054)<br>8.352  | 0.390<br>(0.058)<br>6.686  | 0.429<br>(0.052)<br>8.227  | 0.821<br>(0.033)<br>24.733 | 1.00 |

The top number in each square is the correlation estimate between two variables.  
The middle number (in parentheses) is the standard deviation.  
The bottom number is the t-value. All values are significant at the  $p < 0.0001$  level.

## ANALYSIS AND RESULTS

The data were tested in two stages using structural equations modeling. The first step was testing the measurement model to confirm that the scales are unidimensional and reliable. The hypotheses were tested using Lisrel 8.3 (Joreskog and Sorbom 1996). An examination of all the items loading on the constructs revealed that all were significant at the 0.001 level (the lowest t-value was 7.851). The overall fit of the model was tested using several measures (see Table 2). While the  $\chi^2$  is significant, that is not unexpected with a sample size of larger than 330, and alternative measures were used to determine goodness of fit. The normed chi square index is 1.909 (below the recommended maximum level of 2.0). The standardized root mean square residual (RMR) is 0.051, close to the limit of 0.05 for acceptable fit. The adjusted goodness of fit is slightly low at 0.808, but the Tucker Lewis (NNFI) index is 0.937, and the comparative fit index is 0.944, both above the acceptable level of 0.90. While the model does not have an excellent fit with the data, it does appear reasonable.

Of the hypotheses dealing with the relationships between the organizational responses to the perceived justice dimensions, almost all of them were supported (see Table 4). With the exception of credibility, all of the dimensions loaded on the respective perceived justice dimension. Credibility, despite previous research to the contrary (Conlon and Murray 1996, Morris 1988) had no significant relationship with interactional justice. This result is all the more surprising given the anecdotal evidence (SOCAP 1994) supporting it. Another interesting result was the direction of the relationship between timeliness and procedural justice. While it was hypothesized as a positive relationship, in effect, the results show a significant negative effect, which seems counter intuitive. This relationship could be a perception that the company hasn't had enough time to look into the complaint thoroughly. There is a tradeoff between being fast and being thorough. Not all wait time is the same (Gurney 1990). At a fast food restaurant, a customer appreciates speed, however, in the processing of a complex loan, the customer may prefer a little less speed and a little more care. Therefore, the longer it takes

to handle a meaningful complaint, the higher their level of procedural justice. Boshoff and Gnoth (1997) found that a long delay significantly lowered service recovery satisfaction, but a short delay actually slightly increased the satisfaction level. Response context is critical in evaluating this coefficient because in effect a negative coefficient implies the longer it takes, the higher the level of procedural justice. In fact, every company in the sample did respond. It seems intuitive that there is an upper bound to the time customers are willing to wait, and when reached, procedural justice drops, but within that bound, customers are willing to be patient. Timeliness has not consistently had a positive significant relationship. Gilly and Gelb (1982) found that timeliness was not a significant factor in complaints with a monetary value, a finding that was supported by Morris (1988). This is the first time that the relationship has been reported as negative, however, and further work needs to be done in this area.

Some of the hypotheses concerning the relationship between perceived justice and post-complaint customer responses were rejected. All three justice dimensions had a significant direct effect on satisfaction (supporting both Orsinger et al. 2010 and Gelbrich and Roschk 2011), but no justice dimension had a direct effect on all three post-complaint customer responses. Procedural justice has a significant relationship with both word of mouth variables, but not with repurchase intentions. Distributive justice has a direct impact on word of mouth valance, but not on word of mouth likelihood and a negative impact on repurchase intentions. It is very interesting that while distributive justice has a negative direct effect on repurchase intentions, there is a positive indirect effect through satisfaction. There is therefore no total effect of distributive justice on repurchase intentions.

One possible explanation could be the replacement effect. Since customers have received fair compensation, they have no need for immediate replacement. Only when they don't receive fair outcomes, then they have to purchase immediate replacements. In either case, it appears that satisfaction is the immediate driver of repurchase intentions, and not distributive justice.

TABLE 4: Test of Hypotheses

| H # | Content  | Support   | Comments                                 |
|-----|--|-----------|--|
| 1   | Attentiveness has a positive relationship with interactional justice     | Supported |  |
| 2   | Credibility has a positive relationship with interactional justice       | Rejected  |  |
| 2a  | Attentiveness has more impact on interactional justice than credibility  | Supported |  |
| 3   | Redress has a positive relationship with distributive justice            | Supported |  |
| 4   | Apology has a positive relationship with distributive justice            | Supported |  |
| 4a  | Redress has a stronger impact on distributive justice than apology.      | Supported |  |
| 5   | Facilitation has a positive relationship with procedural justice         | Supported |  |
| 6   | Timeliness has a positive relationship with procedural justice           | Rejected  | Relationship is significant and negative |
| 6a  | Facilitation has a stronger impact on procedural justice than timeliness | Supported |  |
| 7a  | Interactional justice has a positive impact on satisfaction              | Supported |  |
| 7b  | Distributive justice has a positive impact on satisfaction               | Supported |  |
| 7c  | Procedural justice has a positive impact on satisfaction                 | Supported |  |
| 8a  | Interactional justice has a positive impact on word-of-mouth likelihood. | Rejected  |  |
| 8b  | Distributive justice has a positive impact on word-of-mouth likelihood.  | Rejected  |  |
| 8c  | Procedural justice has a positive impact on word-of-mouth likelihood.    | Supported |  |
| 8d  | Satisfaction has a positive impact on word-of-mouth likelihood.          | Rejected  |  |
| 9a  | Interactional justice has a positive impact on word-of-mouth valence.    | Rejected  |  |
| 9b  | Distributive justice has a positive impact on word-of-mouth valence.     | Supported |  |
| 9c  | Procedural justice has a positive impact on word-of-mouth valence.       | Supported |  |
| 9d  | Satisfaction has a positive impact on word-of-mouth valence.             | Supported |  |
| 10a | Interactional justice has a positive impact on repurchase intentions.    | Rejected  |  |
| 10b | Distributive justice has a positive impact on repurchase intentions.     | Rejected  |  |
| 10c | Procedural justice has a positive impact on repurchase intentions.       | Rejected  |  |
| 10d | Satisfaction has a positive impact on repurchase intentions.             | Supported |  |

Interactional justice had no direct effect at all on any of the post-complaint customer responses except for satisfaction. Interestingly enough, satisfaction impacted the valance of the word of mouth, as well as repurchase intentions, but not the likelihood of word of mouth. Procedural justice has emerged as a much stronger construct than previously hypothesized. This result emphasizes the need for companies to plan ahead and develop a strong infrastructure to handle customer communications, because it has a strong direct effect on all the post-complaint customer responses.

Interactional justice does not appear to significantly impact the post-complaint customer responses. This research suggests that interactional justice, being an isolated, one time event has a significant impact on satisfaction, but no impact on post complaint customer responses. These customer responses seem to be more driven by satisfaction and procedural justice, both of which have a lasting, long term effect. A smile can only go so far, but it takes something of more substance to initiate word of mouth activity. Complainers may forgive an employee for having a bad day, provided that they feel that the organization as a whole is motivated and committed to handling complaints well. It is only when customers perceive the employee's lack of interactional justice as stemming from a lack of organizational policies and procedures that the word of mouth activity will be significant.

These results do show that the perceived justice dimensions (contrary to both Orsinger et al. 2010 and Gelbrich and Roschk 2011) sometimes have a direct response (as well as an indirect response) on post complaint customer responses.

Another interesting result focuses on word of mouth activity. While it has been widely held that satisfaction drives word of mouth activity, this research suggests that it is in reality procedural justice that drives the likelihood of word of mouth activity. Satisfaction does significantly affect the valance of word of mouth activity, having a much stronger impact on the valance than either procedural justice or distributive justice. But it would appear that the trigger of word of mouth activity (likelihood) depends only on procedural justice, those policies and procedures that are in place long before the

complaint is even initiated.

## **DISCUSSION AND MANAGERIAL IMPLICATIONS**

It has long been assumed that compensation is the dominant force behind complainer's satisfaction levels. This research suggests that while a certain level of redress is important, it is a necessary but not a sufficient condition for satisfaction and favorable post-complaint customer responses. Procedural justice appears to be the prime motivator of word of mouth activity. The process of handling the complaint is the infrastructure and the heart of the system. It must be developed long before the complaint has been voiced. This gives procedural justice additional visibility in the complainer's eyes, as well as a strong base for influencing post complaint customer behavior. It therefore plays a key role in complaint handling. Since these procedures are planned well in advance of the complaint, managers may want to make them more salient to the consumer. Focusing on Table 6 reveals that the key component of procedural justice is facilitation; however, even timeliness has a stronger impact on repurchase intentions than redress.

Interactional justice appears to be fleeting, while distributive justice can influence the content but not the likelihood of word of mouth activity. Procedural justice has a lasting impression which can be made more tangible and evaluated by the customer, before it is needed. This needs to be leveraged by the manager, in a sense, building up equity before the complaint is registered, and perhaps to a large degree, improving the odds that the complaint will reach the company, instead of to other, less productive channels such as social media.

**TABLE 6**  
**Total Effects Model**  
**Standardized Estimates**

| Effect        | Attentiveness | Credibility | Construct<br>Redress | Apology | Facilitation | Timeliness |
|---------------|---------------|-------------|----------------------|---------|--------------|------------|
| Procedural    | -             | -           | -                    | -       | 1.595*       | -0.740*    |
| Distributive  | -             | -           | 0.794*               | 0.204*  | -            | -          |
| Interactional | 1.010*        | ns          | -                    | -       | -            | -          |
| Satisfaction  | 0.168#        | ns          | 0.433*               | 0.111*  | 0.352#       | ns         |
| Valence       | 0.142#        | ns          | 0.394*               | 0.101*  | 0.474*       | -0.220#    |
| Repurchase    | ns            | ns          | ns                   | ns      | 0.416#       | ns         |
| Likelihood    | ns            | ns          | ns                   | ns      | -0.502#      | 0.233#     |

\* Significant at  $\alpha = 0.01$

# Significant at  $\alpha = 0.05$

ns = not significant

## CONCLUSION

This research study makes several significant contributions to the literature. First, it supports the strong effect of perceived justice on post-complaint customer responses reported in previous research (Orsinger et al. 2010 and Gelbrich and Roschk 2011) is largely mediated by satisfaction. This mediation provides further evidence that the perceived justice dimensions are antecedents to satisfaction. Based on this research, it appears that the perceived justice dimensions are more short term evaluations leading to a longer term evaluation called satisfaction. Perhaps there are three separate dimensions of satisfaction; procedural satisfaction, distributive satisfaction, and interactional satisfaction. The mediating effect of satisfaction does not really detract from the usefulness of the perceived justice dimensions in complaint management situations, rather it shifts it to another area. Instead of focusing on how justice impacts the post-complaint customer responses, research should look more into how perceived justice impacts satisfaction.

Second, the research on organizational response dimensions has been broadened and

deepened. This research reveals that the number of organizational response dimensions is larger than previously determined. This finding will help expand future research and contribute to more comprehensive models and solutions allowing managers to better handle customer complaints. This research has also expanded the impact of organizational research dimensions to include not only their impact on post-complaint customer responses, but also to include their impact on the mediating variables of perceived justice. This expansion enables researchers to determine not only the indirect effect of the organizational response dimensions on post-complaint customer responses (see for example Conlon and Murray 1996; Goodwin and Ross 1992; Lewis 1983), but also to determine the direct effect on the three dimensions of perceived justice and satisfaction. These results provide support for a more comprehensive complaint handling model, allowing us to measure the actual impact of the various variables. This is critical for managers, given the sad state of affairs in complaint handling today (Broetzmann 2013)

Third, the distinction between the three justice dimensions is significant. Being able to

differentiate between the different impacts of the three perceived justice dimensions allows researchers to better isolate the different influences of those justice dimensions on post-complaint customer responses. This in turn will enable researchers to determine which justice dimension is most important in influencing a specific post-complaint customer response. This research also calls into question the relationship between procedural justice and interactional justice by revealing that, in contrast to other studies, procedural justice has a much stronger influence in this study than did interactional justice (see for example Blodgett, Hill and Tax 1997). Further research in this area is warranted.

While it would be irresponsible to suggest far-reaching conclusions based on the limited generalizability of this study, there are still a number of observations that can be made. By understanding the empirical relationships, managers can better understand the dynamics involved. First of all, a strong infrastructure to facilitate complaints is an asset. Research has also shown that likelihood of success in a complaint situation is a powerful determinant of the likelihood of complaining (Blodgett, Granbois and Walters 1993; Richins 1983). Both of these concepts represent the organizational response of facilitation, the policies and procedures that a company has in place to support customer communications. This result suggests that not only do the policies have to be in place, but the customer must also be aware of their existence. Managers need to make more effort to make customers aware of alternative courses of contact with the company. In the past, companies were hesitant to draw attention to complaint-handling departments (Goodman and Stampfl 1983). Focusing on complaint handling was believed to lead to a lower perception of quality and intentions to repurchase. This research suggests that knowing how a company will handle complaints gives the customer a safety net, an added incentive to try a product. This concept is being implemented today by placing consumer department e-mail addresses, social media information, etc. on products. Knowing that they can easily contact the company seems to increase the customer's satisfaction with the company. According to Broetzmann (2013), organizations are doing all the right things, but are doing them the wrong way.

This would indicate that implementation is a serious issue.

Facilitation also impacts word-of-mouth in two ways. First of all it acts upon the likelihood of engaging in word-of-mouth. The higher the level of perceived facilitation, the less likely the complainers is to talk to other people. It appears that the complainers might assume that the problem is a one time occurrence. A certain level of trust develops in a company that goes to such lengths to prepare policies and procedures for any eventuality. Facilitation also impacts the valence of word-of-mouth. Given that a person has engaged in word-of-mouth, a high level of perceived facilitation has a strong positive influence on the word-of-mouth valence. Again, the effort to which the company has gone to build the facilitation infrastructure evidently causes a positive response in the customer, resulting in greater than normal positive feedback. In a sense, the facilitation infrastructure gives customers another positive thing about which to talk. Given the impact of word-of-mouth in general, this is an important finding.

Third, the question of fairness does count. It seems clear that fairness means not only that a fair outcome is important, but also a fair due process and a fair implementation of the policy and procedures. Given the importance of seeming fair and the significant impact it has on word-of-mouth and repurchase intentions, companies may want to increase the level of training, motivation, and pay for those employees handling such a sensitive issue as complaints. Given the importance of defensive marketing (Fornell and Wernerfelt 1987) and the impact of fairness on satisfaction and post-complaint customer responses, it seems rather shortsighted to put underpaid, undertrained, and under motivated employees in such a crucial position. All too often, the response to a complaint is a whining "it's not my department", or "it's not my problem" (Glen 1992). This response only tends to exacerbate the problem, leading to greater dissatisfaction. By measuring the impact that the six response dimensions have on satisfaction, repurchase and word of mouth activity, managers can then determine optimal levels for complaint handling to maximize the impact on post complaint customer behavior.

## RESEARCH LIMITATIONS

First, and foremost among the limitations is the use of a judgment sample, which directly impacts the external validity and generalizability of these findings. Replication of these results using a random sampling procedure if possible, would yield more generalizable results. Failing that, multiple random samples from different populations might contribute to the generalizability of the results. These results are not generalizable in a statistical sense and should be regarded as such. Use of a student sample may have impacted these results in another manner as well. While the students made legitimate purchases and complaints, they may lack the maturity and experience to accurately evaluate the response. Further, the homogeneity of the sample in terms of age, income, and education may have contributed to some of the findings of this study.

Second, relying on respondents to accurately remember events that occurred some time in the past may have affected the results of this research. Problems associated with memory enhancement or memory loss could have impacted these findings. While these methods have been used in previous research, alternative methods that could minimize the problem should be explored.

Third, a better model fit could be achieved by improving the current measures. Looking at the residuals and the modification indices in the confirmatory factor analysis stage can give insights into those items that need improvement. Utilizing multi-method techniques may also improve the measures, because using a common method to measure the constructs may be contributing to the high correlations between some of the constructs. Measurement error may have contributed to the lack of significance between credibility and interactional justice.

Finally, while an attempt was made to look at a comprehensive model of complaint handling, there are still some variables that have not been accounted for. For instance, does the number of contacts people have with an organization have an effect on their perceived justice? Perhaps prior complaint experience may also impact the model. What about possible intervening variables? Do context importance, attitude towards

complaining, or attributions of blame have any impact on the model? These are all areas of future research.

## FUTURE RESEARCH

This study has answered several questions, but has raised many others. First of all, better measures must be adopted. Research in this area is being hampered due to the lack of accepted measures for the constructs. In this void, researchers operationalize their constructs differently, thereby contributing to potentially conflicting results. If there are no rigorous measures for the constructs, then our ability to further our knowledge in this area is severely limited. This was also mentioned in Gelbrich and Roschk (2011).

Second, relying on customer recall may be introducing a bias into the research. Other methods of investigation should be attempted and evaluated. Perhaps it would be possible to link a customer's perception of an organizational response with the actual organizational response by comparing customer recollections to empirical company data. In this way, we could examine the difference between the actual complaint response and the perceived complaint response. This comparison could lead to research in the area of what affects customer perceptions of the response.

Third, more work needs to be done on the identification and integration of covariates into the model. While attitude, importance, and blame affect consumers' complaint processes (Andreasen 1988), do they also affect post-complaint customer responses? Other possible covariates might include previous complaint experience, number of contacts made with the organization to get the complaint handled, and the stability (how often this problem occurs)/controllability (how much control the company has over this problem) of the problem.

Fourth, future research should explore different consumer contexts in an attempt to generalize the results. Perhaps it would be possible to utilize companies' complaint data bases to reach respondents in similar situations or with similar products to test some of the relationships in a more controlled setting. Research in an international setting would also allow us to expand our knowledge of

complaint management to include cultural differences between countries. These cultural differences would have important implications for multinational companies attempting to centralize their complaint management.

Fifth, research needs to be done to determine the effect that high switching costs have on complaints and post-complaint customer responses. While this research included these cases in the sample, future research could examine whether the perceptual processes are the same in a high-switching-cost industry (airlines because of frequent miles, or computer gaming systems such as Nintendo or Sega) and a low-switching-cost one.

In conclusion, more research is needed into clarifying the organizational response dimensions. Are there five or six? Why did credibility not relate to any of the perceived justice or post-complaint customer response variables? What are the relationships between the organizational response dimensions and the perceived justice dimensions? Can one response dimension affect more than one justice dimension? The answers to these questions would have major implications for managers.

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