THE EFFECTS OF SATISFACTION AND COMPLAINING BEHAVIOR ON CONSUMER REPURCHASE INTENTIONS

Diane Halstead, University of Kentucky Thomas J. Page, Jr., Michigan State University

ABSTRACT

This research investigates the brand repurchase intentions of carpet consumers who fall into one of six categories depending on their: 1) product satisfaction level, 2) complaining behavior, and 3) satisfaction with complaint response. Analysis of variance and t-test results indicate that complainers do not have higher repurchase intentions than noncomplainers as indicated by some previous research (e.g., TARP 1979). In addition, postcomplaint satisfaction did not significantly affect repurchase intentions among complainers who were originally satisfied with the product. For complainers who were dissatisfied with the product, however, satisfaction with complaint resolution did lead to significantly higher repurchase intentions.

INTRODUCTION

Consumer satisfaction theory and research have consistently supported a positive relationship between product satisfaction and repurchase intention (Howard and Sheth 1969; LaBarbera and Mazursky 1983; Oliver 1980). Similarly, the complaint behavior literature provides support for a positive relationship between consumer complaining and repurchase intention (TARP 1979). One of the arguments in support of this relationship has been that complaining helps relieve the dissonance created by product dissatisfaction, which then leads to higher repurchase intentions (Oliver 1987). In addition, Bearden and Oliver (1985) argued that increased incidence of public complaining allows firms the opportunity to provide satisfactory redress. This can lead to higher repurchase intentions as well.

These relationships present a paradox to researchers given the inverse relationship between consumer satisfaction and complaining behavior (Day and Landon 1977; Singh 1988). On the one hand, satisfaction leads to higher repurchase

intentions and dissatisfaction leads to lower repurchase intention levels. On the other hand, dissatisfaction can also lead to complaining behavior, which in turn can lead to higher repurchase intentions. Thus, the exact nature of the satisfaction/repurchase intention relationship may depend somewhat on intervening variables such as consumer complaint actions.

Further complicating the issue is consumer's perception of the complaint outcome. Gilly (1987) found that complainers had higher levels of repurchase intentions if they were satisfied with how their complaints were resolved. Thus, the repurchase intentions of complainers may depend in part on their satisfaction with the complaint handling process as well as their original product satisfaction level. Therefore, this paper examines the effects of product satisfaction level. complaining behavior, and complaint resolution satisfaction on consumer repurchase intentions. Oliver's (1987) two-by-two matrix is used to categorize consumers into four groups: satisfied noncomplainers, dissatisfied noncomplainers, satisfied complainers, and dissatisfied complainers. expanded research framework further subdivides the complainer groups into those who are satisfied with the organization's complaint response and those who are dissatisfied with complaint response.

The paper is organized in the following manner. First, a brief review of the consumer satisfaction and complaining behavior literature is presented. Hypotheses regarding the repurchase intention levels of the six groups represented in the research framework are then discussed. Next, the method and results are presented. Finally, implications for researchers and managers are provided.

BACKGROUND

The Importance of Consumer Satisfaction

Consumer satisfaction judgments affect several postpurchase processes of interest to researchers and managers. Complaining behavior (Bearden and Teel 1983; Day 1984; Day and Landon 1977), word-of-mouth communication (Richins 1983; Westbrook 1987), brand loyalty (Fornell 1976; Howard and Sheth 1969), and purchase intentions (Howard 1974; LaBarbera and Mazursky 1983; Oliver 1980) have all been found to be determined at least in part by consumer satisfaction or dissatisfaction.

In addition, an organization's identification and management of consumer dissatisfaction is critical if negative effects on the firm are to be minimized. As such, the study of consumer dissatisfaction is fundamental to a sound defensive marketing strategy (Fornell and Wernerfelt 1987). Defensive marketing is concerned with minimizing customer turnover by reducing customer exit and brand switching. Defensive marketing strategists take the position that satisfaction and loyalty can restored through effective complaint management. Consumer satisfaction information can therefore serve as an important feedback mechanism for organizations (Goodman and Malech 1986).

The Importance of Consumer Complaining Behavior

Despite the fact that unsatisfactory purchases appear to be prevalent in all areas of consumer goods (Andreasen and Best 1977; Day and Ash 1979; Day and Bodur 1978), consumers' reactions to dissatisfaction in terms of complaining behavior vary considerably. Frequently, consumers do not take action to alleviate marketplace problems (Andreasen and Best 1977). Failure to complain then prevents the consumer from obtaining redress. Thus, the study of consumer complaining behavior (CCB) alone may not fully capture the extent of consumer dissatisfaction. Similarly, the study of consumer (dis)satisfaction levels without an examination of accompanying complaint activities may mask marketplace problems which firms could and/or should correct. These limitations

indicate a need for greater integration of consumer dissatisfaction and complaining behavior research.

Integrating Consumer Satisfaction and Complaining

Most attempts at an integration of the two research streams have been extensions of existing satisfaction models which incorporate complaining as one consequence of dissatisfaction. That is, satisfaction is assumed to be inversely related to complaint behavior. Singh (1988) goes of far as to state that "without perceptions of dissatisfaction, consumers' responses cannot qualify as CCB" (p. 94). Yet satisfaction/dissatisfaction has been found to explain only about 15 percent of the variation in consumer complaining behavior (Bearden and Teel 1983; Oliver 1987). As shown by Day (1983), consumer dissatisfaction is not a sufficient condition for complaining to occur. He presented a number of conditions which may affect complaint propensity including causal attributions and perceived costs and benefits of complaining. and Jaccard (1981)argue dissatisfaction may not even be a necessary condition for complaining to occur. They present some evidence that complainers can include satisfied customers who perceive benefits, some fraudulent, to complaining to a manufacturer. In addition, some consumers who report being satisfied may still complain about minor issues, particularly if the organization has a reputation for responding quickly and/or fairly to consumer problems (Day and Landon 1977). As Oliver (1987) noted, "...not all dissatisfied consumers complain nor are all complainers dissatisfied" (p. 221). There is a need, therefore, to investigate consumers who represent these exceptions.

The Research Framework

The research framework used for this study (shown in Figure 1) is a modification of Oliver's (1987) two-by-two matrix in which he categorized consumers according to their levels of (dis)satisfaction and public complaining behavior. It should be noted that the satisfied/dissatisfied classification refers to the consumers' original satisfaction with the product, not satisfaction after complaining. Consumers who reported being

either very or somewhat satisfied with their product were categorized as "Satisfied." Those who were very or somewhat dissatisfied were labelled "Dissatisfied." The complaining dimension was split according to whether or not the consumers had formally complained to the manufacturer about the product prior to the study.

Figure 1
The Research Framework

| | Complainers | | Noncomplainers |
|--------------|-------------|--|----------------|
| Satisfied | SAT /CR | | |
| | DIS/ CR | | |
| Dissatisfied | SAT /CR | | |
| | DIS/ CR | | |

The modification to Oliver's framework is the addition of a further subdivision of complainers into those who are satisfied with complaint resolution (SAT/CR) and those who are dissatisfied with complaint resolution (DIS/CR). Thus, six rather than four groups are represented in the research matrix. The dependent variable of interest is whether or not consumers intended to repurchase the brand for their next purchase.

THEORY AND HYPOTHESES

Early consumer behavior models provided the theoretical foundation which conceptually linked consumers' repurchase intentions to their levels of satisfaction (Howard and Sheth 1969; Howard 1974). Later empirical research supported a positive relationship between satisfaction and repurchase intentions (LaBarbera and Mazursky 1983; Oliver 1980, 1987; Oliver and Linda 1981). The following research hypothesis is therefore proposed:

H1: The repurchase intention levels of satisfied consumers will be significantly higher

than the repurchase intentions of dissatisfied consumers.

The arguments are not as clearcut for the complainer/noncomplainer groups, however. While it may seem logical that noncomplainers would have higher repurchase intentions than complainers, some research has found complaining consumers to have even higher levels of repurchase intentions than satisfied noncomplainers if they are satisfied with how their complaints were resolved (Gilly 1987). Even complaining customers who do not have their complaints resolved have been found to have higher repurchase intentions than noncomplainers (TARP This finding was true whether the complaints were minor (\$1 - \$5 losses) or major (over \$100). Thus, formal complaining seems to provide consumers with more than just the opportunity to obtain redress. It 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. Complaining as a dissonance-releasing activity has been recognized by several researchers (Oliver 1987). Based on this research, the following hypothesis will be tested:

H2: The repurchase intention levels of complainers will be significantly higher than the repurchase intention levels of noncomplainers.

Whether or not satisfied noncomplainers have higher repurchase intentions than dissatisfied complainers will depend on the consumer's satisfaction with complaint resolution. That is, a dissatisfied consumer who complains but has the complaint resolved satisfactorily will have higher repurchase intentions than satisfied noncomplainers (Gilly and Gelb 1982). A dissatisfied complainer's repurchase intentions will be lower than a satisfied noncomplainers if the complainer is dissatisfied with how the complaint was handled. Thus:

H3: The repurchase intention levels of satisfied noncomplainers will be significantly higher than the repurchase intentions of dissatisfied complainers who are also

dissatisfied with how their complaints are resolved.

H4: The repurchase intention levels of satisfied noncomplainers will be significantly lower than the repurchase intentions of dissatisfied complainers who are satisfied with how their complaints are resolved.

Despite the TARP (1979) evidence that complainers have higher repurchase intentions even when complaints are unresolved, H3 is proposed because of the high cost of the product category in this study (carpeting) compared to the costs of the products in the TARP study. In addition, because carpeting is such a conspicuous part of a consumer's home furnishings (it is highly visible and used daily), dissatisfaction with complaint resolution will probably counteract any "relief" the consumer might feel after complaining.

The pattern discussed above for dissatisfied complainers should also hold for those consumers who were originally satisfied with the product but still complained. Those that complained and had their complaints satisfactorily resolved should have the highest repurchase intention levels of all groups because they achieve satisfaction at two levels: after product purchase/consumption and after complaining. In addition, they had the dissonance-releasing complaint activity to relieve them of any other doubts or tensions. Satisfied complainers who are dissatisfied with how their complaints are handled, however, are likely to have lower repurchase intentions than satisfied consumers who choose not to complain. In this case, the dissatisfaction from the complaining experience again counteracts any relief from the complaining activity, and the recency of the unsatisfactory resolution will dominate. Thus:

H5: The repurchase intention levels of satisfied noncomplainers will be significantly higher than the repurchase intentions of satisfied complainers who are dissatisfied with how their complaints are resolved.

H6: The repurchase intention levels of dissatisfied noncomplainers will be the lowest of all consumer groups.

H7: The repurchase intention levels of satisfied complainers who are satisfied with how their complaints are resolved will be the

highest of all consumer groups.

It could be argued that dissatisfied complainers who are dissatisfied with complaint response would have lower repurchase intentions than dissatisfied noncomplainers because they experience dissatisfaction twice (see H6). However, dissatisfied noncomplainers have not been provided with any relief, however unsatisfactory. have not been able to express their frustration or anger on a personal level, nor is there any hope that their particular complaint will be addressed in the future. Figure 2 provides a summary of the hypotheses by showing the expected order of consumers' repurchase intention levels (1 = highest level of repurchase intentions expected, 6 = lowest level of intentions). Group sample sizes are also shown in each cell.

Figure 2
Summary of Hypotheses and Sample Sizes

| | Complainers | | Noncomplainers | | |
|--------------|-------------|-----------|----------------|--|--|
| Satisfied | SAT /CR | 1 n=59 | | | |
| - | DIS/ CR | 4 n=10 | n=203 | | |
| Dissatisfied | SAT /CR | 2 n=89 | | | |
| | DIS/ CR | 5 n=33 | 6 n=5 | | |

METHOD

Sample and Procedure

The sampling frame consisted of new owners of a nationally advertised carpet brand who had purchased their carpeting prior to November 1987. Subjects were interviewed via telephone by an independent marketing research firm.

The average time frame from carpet purchase to telephone survey was approximately four months. The range was two - seven months. Consumers were not included in the sampling frame if they had owned their carpets less than two months for several reasons. First, the

manufacturer needed several weeks to input new customer information. Second, it was considered necessary for consumers to have the carpets in their homes long enough to experience a full range of usage situations (e.g., generating sufficient household traffic, vacuuming/cleaning stains, entertaining) prior to measuring product satisfaction. Going beyond about six or seven months was considered to be too long to truly reflect "initial" product satisfaction.

Stratified random sampling was conducted within three distinct customer segments. Segment I (n = 208) consisted of customers who had no formal complaints on file with the carpet fiber manufacturer (Noncomplainers). A few of these customers did complain to retailers, although there were no reported third party complaints (complaints to media, consumer agencies such as the Better Business Bureau, or government agencies). Thus, the "Noncomplainers" label is from the manufacturer's perspective and is therefore somewhat restrictive.

Segment II (n = 90) consisted of those consumers who complained to the manufacturer about a problem with their carpet and eventually had the problem resolved by the manufacturer's customer service personnel (Complainers). All complaints were addressed and resolved (i.e., handled internally and brought to a conclusion), though not always according to the customer's wishes.

Segment III (n = 101) was comprised of customers who complained and eventually had their new carpets replaced under warranty due to quality defects (Replacements).

All three groups were identified prior to sampling via warranty cards sent in to the manufacturer. The warranty card return rate was 25 percent. The limitations of this low return rate are presented in the Discussion section. The final sample consisted of 404 carpet owners, of which 399 had useable responses. Approximately 23 percent of the sample was male; 77 percent of the sample was female.

To form the groups represented in the research framework, the following procedure was employed. The Complainers and Replacements (Segments II and III) were combined to form the Complainers group. Noncomplainers were identified from company files via the warranty

cards, and had no complaints/inquiries on record with the manufacturer. Satisfied and dissatisfied consumers were identified according to their survey responses to the question, "Overall, how satisfied are you with your original (brand name inserted) carpet?" In addition, all complaining customers also responded to a question regarding their level of satisfaction with complaint resolution. This allowed complainers to be further classified according to their level of satisfaction with the complaint outcome.

Measures

A four-point satisfaction scale was used (Gilly 1987; Gilly and Gelb 1982), allowing consumers to be categorized as satisfied if they responded "very satisfied" or "somewhat satisfied," and dissatisfied if they were "very dissatisfied" or "somewhat dissatisfied." For all measures, a higher value indicated a higher level of that construct. Thus, 4 = "very satisfied," and 1 = "very dissatisfied."

The repurchase intention construct was operationalized as a four-point scale as used by Gilly (1987). "Definitely will buy again" = 4, "probably will buy again" = 3, "probably will not buy again" = 2, and "definitely will not buy again" = 1.

Satisfaction with complaint resolution was measured on a four-point bipolar scale ranging from "very dissatisfied" to "very satisfied." Consumers were asked how satisfied they were with how their complaint was handled. Complainers were split according to their level of postcomplaint satisfaction in the same way that the level of product satisfaction was used to divide satisfied and dissatisfied consumers.

RESULTS

Analysis

T-tests and analysis of variance (ANOVA) were used to test the hypotheses. T-tests were used when the repurchase intentions of two customer groups were being compared; ANOVA was used to compare multiple groups. When ANOVA revealed significant differences among the groups, multiple range tests (i.e., Tukey or

Duncan) were used to locate the differences.

Figure 2 showed the sample size of each of the six groups represented in the research framework. Of particular concern is the small sample size of the dissatisfied noncomplainers group. However, this result may not be surprising given the following factors. First, the product category is one in which complaining is more likely to occur than for other products due to its high cost, conspicuousness in the home, and importance to the consumer's daily life. Day and Landon (1977) noted that complaint propensity increases under these conditions. Second, this carpet brand was supported by an extremely heavy advertising and promotional campaign in which consumer expectations for the stain-resistant qualities of the brand were built up to a very high level. Third, consumers were encouraged at several levels to contact the carpet fiber manufacturer (the warrantor) in the event of problems. Point-of-sale materials, warranty cards, and retail salespersons all provided a quick, simple, and costless way for consumers to complain--a toll-free customer service number provided by the manufacturer. Finally, many dissatisfied consumers may have complained only at the retail level, thus reducing the number of dissatisfied noncomplainers at the manufacturer level.

It should also be noted that the small number of dissatisfied noncomplainers contradicts previous findings in which the number of dissatisfied noncomplainers was often one of the largest groups (Best and Andreasen 1977; Day and Ash 1979; Day and Bodur 1977). Again, the high cost and visibility of the product may have contributed to this result. The small sample size of this group somewhat limits the conclusions that can be drawn from any analysis in which this group is included. This will be discussed further in the Discussion section.

T-test results of H1 and H2 are shown in Table 1. As the table shows, repurchase intentions of satisfied consumers were significantly higher than the intentions of dissatisfied consumers (p < .001 for a one-tail test), supporting H1. H2 was not supported in that the repurchase intentions of complainers were significantly lower than those of noncomplainers. Thus, H2 was not only not supported but the difference was significant in the opposite direction. This result contradicts previous

research which found that complainers had higher repurchase intentions than noncomplainers (TARP 1979). This finding may be a result of the high cost and conspicuousness of the product in this study (carpeting). Having to complain about an expensive purchase may trigger more negative feelings about subsequent purchases than complaining about less expensive products. Since this explanation cannot be directly tested with the data from this study, this must be addressed in future research.

Table 1
T-Test Results: Repurchase Intentions

| Consumer Group | Mean (sd) | I | <u>df</u> | P-value |
|----------------|-------------|--------|-----------|---------|
| Dissatisfied | | | | |
| Consumers | 2.01 (1.29) | -10.36 | 400 | < .001 |
| Satisfied | | | | |
| Consumers | 3.29 (0.80) | | | |
| Н2: | | | | |
| Noncomplainers | 3.38 (0.77) | 9.26 | 400 | < .001 |
| Complainers | 2.38 (1.27) | | | |

A second alternative explanation for the H2 result may be the severity of the problem experienced by the complaining customer. Since over half of all complaining customers were replacement customers (whose original carpets had substantial quality defects), the repurchase intentions of complainers may have been lowered considerably by this sub-segment. To test this explanation, the complainers group (n = 196) was segmented into Replacement (n = 104) and Nonreplacement (n = 92) complainers. results are shown in Table 2. Since the mean repurchase intention level of Replacement complainers is higher than the repurchase intentions of the Nonreplacement complainers (although not significantly higher), the "problem severity" explanation must also be rejected.

Table 2
T-Test Results: Replacements
vs. Nonreplacements

| Consumer Group | Mean (sd) | Ţ | <u>df</u> | P-value |
|------------------------------|----------------------------|-------|-----------|---------|
| Replacements Nonreplacements | 2.44 (1.38) 2.31 (1.14) | -0.74 | 191 | 0.23 |

A third explanation might be the *outcomes* of consumers' complaints. As argued in H3 - H7, consumers who think their complaints were addressed unsatisfactorily may vary significantly in their repurchase intentions from either noncomplainers or from those who are satisfied with complaint resolution. This explanation is tested in H3 - H7 and shown in Tables 3 and 4.

H3 stated that the repurchase intentions of satisfied noncomplainers would be significantly higher than those of dissatisfied complainers who were dissatisfied with complaint response. Table 3 shows that the means are significantly different in the hypothesized direction (p < .001 for a onetail test), so H3 is supported. H4 was not supported, however. The repurchase intentions of satisfied noncomplainers were significantly higher than those of dissatisfied complainers who were satisfied with complaint resolution, not lower as proposed (p < .001 for a one-tail test). H4 was unsupported and is in fact significant in the Thus, a dissatisfied opposite direction. complainer's satisfaction with complaint response does not counteract the negative effect of the original product dissatisfaction level. H5 stated that the repurchase intention levels of satisfied

Table 3
T-Test Results: Repurchase Intention and SAT/CR

| Consumer Group | Mean (sd) | <u>T</u> | <u>df</u> | P-value |
|--------------------|-------------|----------|-----------|---------|
| H3: | | | | |
| Satisfied | | | | |
| Noncomplainers | 3.41 (0.69) | 10.23 | 36.5 | < .001 |
| Dissatisfied | | | | |
| Complainers/DIS | 1.45 (1.06) | | | |
| H4: | | | | |
| Satisfied | | | | |
| Noncomplainers | 3.41 (0.69) | 7.61 | 107.4 | < .001 |
| Dissatisfied | | | | |
| Complainers/SAT | 2.29 (1.30) | | | |
| Н5: | | | | |
| Satisfied | | | | |
| Noncomplainers | 3.41 (0.69) | 4.06 | 212.0 | <. 001 |
| Satisfied | | | | |
| Complainers/DIS | 2.50 (0.71) | ı | | |
| DIS = Dissatisfied | with comple | int res | ponse | |

SAT = Satisfied with complaint response

noncomplainers would be significantly higher than the repurchase intentions of satisfied complainers who were dissatisfied with complaint resolution. This was supported (p < .001 for a one-tail test).

The results of the ANOVA tests of H6 and H7 are shown in Table 4. H6 stated that the repurchase intentions of dissatisfied noncomplainers would be the *lowest* of all consumer groups. The *highest* repurchase intentions were hypothesized to be from the satisfied complainers who were also satisfied with how their complaints were resolved (H7).

The ANOVA results show that the means are significantly different among the six groups represented in the extended research framework, i.e., when satisfaction with complaint response is considered (p < .001). Not all groups are significantly different from every other group, however, as indicated by the results of Duncan's and Tukey's multiple range tests. H6 was supported in that the repurchase intentions of dissatisfied noncomplainers were the lowest of all six groups. The mean of 1.2 was significantly lower than four of the remaining five groups (alpha = 0.05), but was not significantly lower than the mean repurchase intentions of one group-dissatisfied complainers who were dissatisfied with complaint response (x = 1.45). The results must also be interpreted with some caution given the dissatisfied size of the sample noncomplainers group (n = 5).

Table 4
Anova Results: Repurchase Intentions

| ANOVA SSF df 171.88 38.76 5,392 | - | P-va < | lue .00 | • | | |
|------------------------------------|------|-----------|------------|------|---|--|
| Consumer Group | Mean | Gr | oul | oing | | |
| H6 and H7: | | • | | | | |
| Satisfied Noncomplainers | 3.41 | Α | | | | |
| Satisfied Complainers/SAT | 3.02 | Α | В | | | |
| Satisfied Complainers/DIS | 2.50 | | В | С | | |
| Dissatisfied Complainers/SAT | 2.29 | | | С | | |
| Dissatisfied Complainers/DIS | | | | | D | |
| Dissatisfied Noncomplainers | 1.20 | | | | D | |

Means with the same letter are not significantly different (alpha = 0.05) according to Tukey's and Duncan's multiple range tests.

H7 must be rejected since the repurchase intentions of satisfied complainers who were satisfied with complaint response were not significantly different from two groups--satisfied noncomplainers and satisfied complainers who were dissatisfied with complaint resolution. The repurchase intentions of satisfied complainers who were satisfied with complaint resolution were significantly higher only when compared to the three dissatisfied consumer groups.

The divided sum-of-squares (SS) results for the satisfaction effect indicate that a consumer's original product satisfaction level drives repurchase intention (F = 38.01, p < .001). Support is provided in the ordering of the means in which the repurchase intentions of all three satisfied consumer groups exceeded those of the dissatisfied groups. Among satisfied consumers who complain, satisfaction or dissatisfaction with complaint response did not lead to significant differences in repurchase intention levels. Among dissatisfied complainers, however, satisfaction with complaint response led to significantly higher repurchase intentions than those who were dissatisfied with complaint resolution. Thus, consumers' (dis)satisfaction with complaint response has an effect only when the consumer is originally dissatisfied with the product.

DISCUSSION

The findings from this study differ from existing empirical research in several ways. First, complainers did *not* have higher repurchase intention levels than noncomplainers as found in previous studies (TARP 1979). Thus, the dissonance relieving function of complaining does not appear to have overcome the negative complaining experience as originally hypothesized by several researchers (Bearden and Oliver 1985; Oliver 1987). As proposed earlier, this may be due somewhat to the high cost and visibility of the product in this study.

Second, the role of consumer satisfaction with complaint resolution does *not* appear to dominate consumers' repurchase intentions as argued by several researchers (e.g., Gilly 1987; Gilly and Gelb 1982; TARP 1981). That is, consumers' satisfaction with complaint response does not counteract the negative effects of a high level of

dissatisfaction with the product. This is supported by the results of H4 and H7. The rejection of H7 somewhat contradicts the findings of several researchers (Gilly 1987; Lewis 1982) in which the repurchase intentions of complainers were found to be significantly higher if satisfaction with complaint resolution was high. The results showed that the repurchase intentions of three groups were significantly different: noncomplainers, satisfied complainers who were satisfied with complaint response, and satisfied complainers who were dissatisfied with complaint response. Satisfaction with complaint response did differentiate among dissatisfied consumers. however, in that higher satisfaction with complaint resolution did lead to significantly higher repurchase intentions than those who were dissatisfied with complaint response.

These findings suggest several things for product and customer service managers. First, marketing managers cannot ignore or discount the importance of consumers' original product satisfaction levels, especially for high priced, conspicuous goods such as carpeting. Even the most effective complaint management program may not make up for a product that disappoints Consumer repurchase intentions consumers. depend primarily on their level of product satisfaction rather than satisfaction with the complaint process. Only when consumers are dissatisfied with the product can the organization's response make a difference. This implies two things for managers: 1) managerial emphasis and resources should still be directed toward identifying and satisfying consumer needs in order to ensure consumer satisfaction at the product level (e.g., sound quality control programs), and 2) customer service representatives should attempt to qualify complaining customers with respect to their original (dis)satisfaction levels (e.g., severity of complaint). This way, customer service personnel have some indication of the level and type of service that may be necessary to ensure continued purchases. Satisfied complainers may need only minimal or maintenance service levels. Dissatisfied complainers will need extra time and attention, perhaps extraordinary measures, in order to positively affect repurchase. That is, it is the dissatisfied consumer's (dis)satisfaction with complaint response that represents the critical

"swing" in loyalty.

Finally, researchers and managers must acknowledge the existence of consumers who complain despite their overall reported satisfaction with a product. Satisfied complainers appear to be particularly pervasive in this research (n = 72). This is likely due to the high cost of the product Despite feeling satisfied with their category. purchase, consumers may have a much stronger vested interest in the product and warranty terms because of their financial investment (and the conspicuous nature of the product). This may lead to complaints about minor details or less important Managers must respond product attributes. adequately to these complaints in order to reassure these consumers about their investment. addition, some consumers may be "testing" the firm and its warranty policies by complaining--to see if the firm really does back up policy with Satisfactory redress could alleviate action. consumer skepticism and show that the firm is responsive to its customers.

It is possible that many of the complainers still reported satisfaction with their carpet (despite poor performance) because the carpet brand offered substantial and highly visible benefits over other brands in the industry at that time. Even with occasional performance problems, this brand was an improvement over previous offerings because it offered an important attribute to the consumer was not previously available--stain which resistance. LaTour and Peat (1979) argued that product category improvements such as this may lead to more favorable evaluations. consumers may have biased their brand satisfaction judgments somewhat with their satisfaction with improvements in the overall product category.

Of course, these findings must be interpreted with some caution given the limitations of the study. First, it may be that the effects found here are product-category specific. Second, consumer satisfaction judgments can and do change over time, especially for durable products. Customers who are currently satisfied may be very dissatisfied in three years if their carpets do not hold up well. This research did *not* measure product satisfaction over several time periods. Rather, it focused only on initial product satisfaction and satisfaction with the complaint handling process. In fact, all measures were taken at a single point in time

rather than at several intervals as suggested by Andreasen (1977). Thus, consumers' product satisfaction judgments may have been biased by the complaining process and outcome (or lack thereof).

Due to the commercial nature of the study, the size and scope of the survey instrument, and the use of telephone interviews, single-item measures were deemed necessary. In addition, the low restricts return rate warranty card generalizability of the findings since some selection bias may have occurred. That is, warranty card "returners" may be different from "nonreturners" on one or more dimensions. Customers returning warranty cards may have had greater product involvement, greater expertise, or simply been provided better retail service (e.g., some carpet salespersons may have encouraged consumers to complete cards before leaving the store). Any of these may have had an impact on consumer satisfaction judgments or repurchase Thus, the findings cannot be intentions. generalized to other consumers. Finally, the small number of dissatisfied noncomplainers (n = 5) limits some of the conclusions drawn.

Future research should address the role of satisfaction and complaining behavior on other postpurchase responses such as word-of-mouth communication, attitude toward the firm, and actual repurchase behavior. Product categories of varying costs and levels of involvement and conspicuousness should also be studied. Finally, some consumers may be dissatisfied with their purchase decision as opposed to the product itself. For example, a consumer may be dissatisfied with the color, or may think he should have purchased a more expensive brand. Therefore, no warranty claim exists, but dissatisfaction with the purchase still occurs. (These consumers may be a portion of the dissatisfied noncomplainers group.) Future research should address this by distinguishing between dissatisfaction with the actual product versus the product choice decision.

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Send correspondence regarding this article to:
Diane Halstead
College of Business and Economics
Department of Marketing
University of Kentucky
Lexington, KY 40506-0034