IS THE PROPENSITY TO COMPLAIN INCREASING OVER TIME?

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ABSTRACT

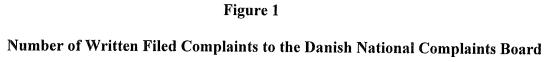
The purpose of this article is twofold. First we present some of the measurement problems involved in interpreting consumer complaint data. Second we provide some unique longitudinal results on complaint propensity documenting that, in spite of a doubling of the number of cases submitted to the Danish National Complaints Board, the propensity to complain in Denmark has not increased in the past 25 years. We conclude by discussing how the analysis should be extended from merely describing to explaining the variation in propensity to complain across consumers.

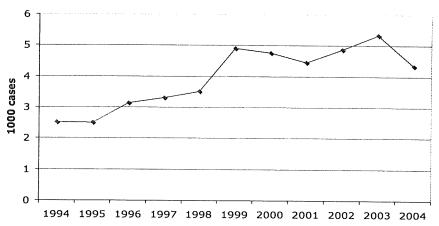
INTRODUCTION

Evidence suggests that consumer complaints have increased in recent years. In a new consumer survey from Great Britain administered by the consultancy TMI (Berry 2006), one of the conclusions is that the volume of consumer complaints is increasing sharply and data from Denmark discussed below indicate the same tendency.

For many years, Denmark has had a National Complaints Board as a component of the country's general consumer protection program. If a consumer is dissatisfied with a product/service then it is possible, for a small fee (20 EURO, or \$25), to have the Complaints Board look into the case and recommend a resolution under the condition that the original product/service cost was between 100 EURO (or \$125) and 12,500 EURO (or \$15,700).

As illustrated in Figure 1, although the rate of change varies from year to year there is an increasing long-term trend in the number of filed complaints to the board. The number of complaints per year to the board is now about double what it was just a short decade ago.





For example, 4456 complaints were filed with the Complaints Board in 2001, and were especially prevalent within the following product groups: telephones, textiles, radio/TV sets, computers, furniture, and footwear.

An important insight from extant research on consumer complaints and complaint behavior is that the number of complaints to various third-party complaints-boards gives only an incomplete picture of consumer experiences, including the degree of the consumer's dissatisfaction with products and services. This illustrates the now-famous "tip of the iceberg" view introduced by Best and Andreasen (1977) in a study of dissatisfaction and complaint behavior across 34 product and service categories at a specific point in time.

Figure 1 shows a clear increasing trend in the number of filed complaints. However, in spite of the clear trend, the Figure raises more questions than it answers. Is the increased number of complaints a result of Danish consumers' increasing propensity to complain? Have people turned into bellyachers? How upset are they? Are their demands on quality higher? Have they become more fussy and over-particular? Or does the increasing number of complaints reflect a general deterioration in the quality of products and services? Attempts to answer these questions raise a number of methodological concerns, some of which will be discussed in this article. Based upon a comparison between results from a 1978 and a 2002 consumer complaint survey we will specifically answer the question whether the propensity to complain has indeed increased in Denmark in the last 25 years. If it is concluded that the propensity to complain has not increased over the years, then discovering the origin of the increase in complaints may more clearly lead to a call for action from companies and from consumer policy authorities.

COMPLAINING AS A LATENT TRAIT

First, the central response, "to complain," must be defined. According to Kowalski (1996), dissatisfaction is an attitude resulting from disconfirmation of expectations, and complaining is a behavioral expression of the dissatisfaction. In a strict sense, complaining can be defined as approaching a party in a transaction who is per-

ceived as directly or indirectly responsible for the quality of a rendered product or service and expressing one's dissatisfaction. But is it enough to vent one's dissatisfaction with the product or service? Or does one have to state directly that it is a complaint and not merely a statement of dissatisfaction? It is not unequivocal when a consumer sees his or her reaction as a "complaint". Possibly, there are negative connotations to the word that makes a consumer hesitant to call it a complaint. Scholars ought to take such sentiments into account when attempting to measure and monitor consumer complaint behavior.

Further, we believe that it is important to distinguish between an underlying, but unobservable, construct "propensity to complain" and the observed complaint response per se. The propensity to complain is best understood as an individual's inherent tendency to react to perceived or experienced dissatisfaction by performing the act of complaining (Kowalski 1996). The observed complaint behavior is co-determined by a person factor (the propensity to complain) and a situational factor (a composite of the "gravity" of the defect or deficiency, the difficulty and costliness of complaining, and the perceived likelihood of success). In the following, a method will be described for isolating and measuring the propensity to complain, which we believe will be useful for monitoring this propensity over time, and the method will be demonstrated by way of an empirical application.

The Basic Measurement Model

A person's response in a given situation (for instance, a complaint) can always be described as the result of two factors:

- A person factor and
- A situation factor.

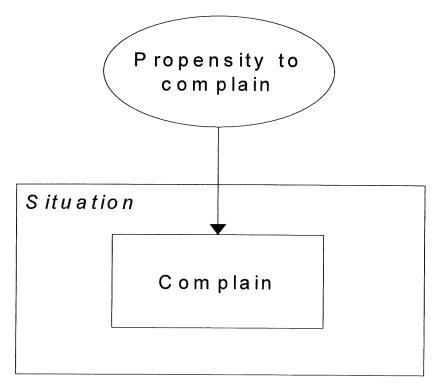
In the case of consumer complaint behavior, there is a person parameter, the propensity to "complain" no matter what the circumstances, and a situation or item parameter, the ability of the situation to evoke "complaint," no matter the person (Rasch 1960). By administering a battery of situationally specific scenarios – in the case reported below hypothetical complaint situations –

and recording the answers "complain" or "not complain" for a sample of respondents, the item

and person parameters can be identified and estimated.

Figure 2

Complaining as a Result of the Personal Factor 'Propensity to Complain' and the Situation



From this simple model it follows that an observed complaint may be the result of a "grave" situation and/or a person's high propensity to complain. This is why statistical data on the aggregate frequency of complaints are relatively uninformative: such data neither controls for the situation nor for the persons involved.

There is nothing new in proposing that consumer personality is an important antecedent in models of post-purchase processes (Singh 1990). More recently, Kowalski (1996) proposes the existence of a "complaining threshold" and

that dissatisfaction is a sufficient but not a necessary prerequisite for complaining. As he writes on page 184, "...even though an individual may not currently be experiencing dissatisfaction, his or her need to complain for other interpersonal reasons may prompt complaining behavior (i.e. the complaining threshold has been reached)." A number of dispositional variables may influence a person's complaining threshold, including extroversion, dogmatism, and self-presentational concerns; so might socioeconomic/demographic varibles such as age and gender. For example, indiv-

iduals who are more sensitive to the impressions that others form of them are less likely to complain.

The propensity to complain has been defined as "an individual's demonstrated inclination and intentions to complain in the face of an unsatisfactory purchase experience" (Cho et al. 2002, p. 319 referring to Bearden et al. 1979). Operationally the measure of the propensity to complain attempts to capture a cross-sectional behavioral tendency or inclination. However, past measures such as the one applied by (Cho et al. 2002) tend to confound situational, attitudinal and behavioral tendencies. The approach presented in this article avoids this confounding and obtains a purely behavioral measure of the propensity to complain construct.

When it comes to monitoring the development in the propensity to complain, we propose using hypothetical descriptions of situations that may potentially lead to complaints. A hypothetical situations approach was implemented in a study on consumer complaints in Denmark that was carried out in 1978 (Kristensen & Wiis 1979). Here, six situations were selected from a pool of constructed situations taking into account the expected variation in the situations' power to evoke complaints. The gravity of the situations ranged from a trifle (most consumers would not bother to complain) to a serious defect (most consumers would probably complain). By repeating the survey using the same hypothetical situations and comparing the results of the two surveys we are able to investigate whether or not consumers' cross-situational propensity to complain has increased between 1978 and now.

An Empirical Application

In order to evaluate whether Danish consumers' general propensity to complain has increased over the years, we replicated a study from 1978 (Kristensen 1980; Kristensen and Wiis 1979). The 1978 study was based on nearly 2125 randomly selected adult respondents. The response rate was approximately 50 % so the number of completed self-administered questionnaires exceeded 1000. Our data collection took place in 2002 and our survey methods combined telephone calls with follow-up mail surveys. The selection of respondents was accomplished by random dialing; and the closing question in each telephone interview was whether or not each respondent would be willing to participate in a follow-up mail survey that included new questions but related to the same general topic. The final response rate in 2002 was 67 per cent: 684 respondents returned completely filled out questionnaires. The six hypothetical complaint situations from 1978, shown in Table 1 (see page 122), were included in the Mail survey. In each situation the respondent was asked whether he/she would complain to the supplier. The word "complain" was used in the 1978 survey which is why we used it in the 2002 survey, although it may have been ambiguous in 1978 and, of course, might have been perceived in slightly different ways again by some respondents in 2002.

Here we only consider the "complain to the 'shop' or 'supplier'" reaction. The percentage of respondents indicating they would complain to the 'shop' in the different situations in 1978 and 2002 are given in Figure 3 (shown on page 123).

Table 1

The Six Hypothetical Situations

Situation A

Imagine yourself in the following situation:

You have bought three pairs of socks labelled 'second grade'. After one month you notice that there's a hole on the heels of two of the pairs, although each of the pairs has only been worn for less than a week.

Situation B

Imagine yourself in the following situation:

About six months ago you bought a carpet with latex backing, which you fitted yourself. Now you discover that the latex sticks to the floor.

Situation C

Imagine yourself in the following situation:

You have bought a new refrigerator from a dealer, who installs it. After the installation you discover a 5-cm long scratch on the refrigerator door.

Situation D

Imagine yourself in the following situation:

You have bought a cheap, black sweater and a pair of cheap jeans that you intend to use together. The first time you wear the sweater and the jeans, the sweater stains the jeans,

Situation E

Imagine yourself in the following situation:

You have bought a jar labelled genuine honey. The jar is correctly labelled in every way – however, you believe that the honey doesn't taste like genuine honey.

Situation F

Imagine yourself in the following situation:

On sale you have bought a bookshelf at a reduced price. The store delivers the shelf to your address but does not assemble it. In the evening when you put the shelf up against the wall you see some scratches in the wood that you didn't notice in the store.

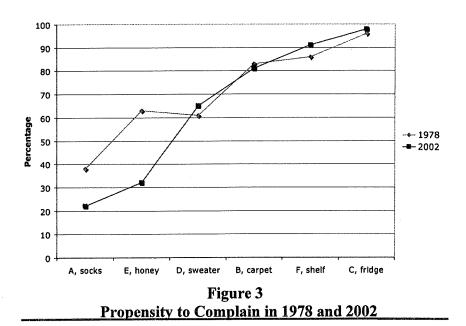


Figure 3 suggests that the propensity to complain, if anything, has decreased between the two time points, but only in situations characterized by a low ability to evoke complaints. In the "graver" situations, there might be a slight change in the opposite direction, that is, an increased propensity to complain.

A test of the null hypothesis that the complaint profiles for 1978 and 2002 are actually the same was carried out as a standard profile analysis in SPSS. Because of the large number of respondents in each of the data sets, the assumption of an approximation to a multivariate normal distribution is reasonable. The test results in Table 2 show a significant year effect for situation A, E and F. Especially in situation E we have a large difference between the two years. Based on these results, there is no clear basis for concluding that the likelihood of complaining at the aggregate level has increased from 1978 to 2002.

Table 2
Profile Analysis Comparing Propensities to Complain in 1978 and 2002

Source	Dependent	Type III	df	F	Sig
	variable	Sum of squares			
Year	Socks	9,874	1	48,466	0,000
	Carpet	0,021	1	0,138	0,711
	Fridge	0,106	1	3,588	0,058
	Sweater & Jeans	0,060	1	0,208	0,648
	Genuine Honey	31,483	1	140,639	0,000
	Bookshelf	1,346	1	12,44	0,000

However, an analysis of the aggregate propensity to complain may be deceiving. If there are consumer segments holding different propensities to complain and if they follow a different growth path, the aggregate numbers could show a decrease although all segment-level propensities to complain actually increase. If segments characterized by a relatively low propensity to complain grow faster than segments with a relatively high propensity to complain, this may lead to a decrease in the aggregate propensity to complain, although segment-level propensities have not decreased, or perhaps even increased.

In order to investigate whether there is an underlying change in the composition of the population with respect to complaint propensity from 1978 to 2002, a latent class analysis is carried out. The defining characteristic of the latent class model is that it assumes that consumers can be grouped into a number of discrete classes or types. Within each type the consumers have the same propensity to complain, but across types there are differences in the propensity to complain. However, the class/type variable is *latent*, as it is not directly observable or measurable.

The model can be formulated as a statistical model with the following parameters:

The number of classes

- The size of each class, i.e. how many respondents that go into each latent class/type
- The complaint likelihood within each class/type in each of the situations A-F.

The latent class model is estimated by Maximum Likelihood, using LatentGOLD (Vermundt and Magdison 2000). Based on values for the overall fit (BIC, AIC) of a one-class, two-class and three-class solution the analysis points to a two-class solution shown in Figure 4. In 1978, 54 per cent and in 2002, 57 per cent of the respondents belonged to type 1 with a relatively low propensity to complain; the remaining 46/43 per cent belonged to type 2 with a relatively high propensity to complain. The likelihood to complain varies with the situation, but in all situations complaining is more likely for consumers belonging to class two than for class one.

It appears that there is considerable agreement between the class structures from 1978 and 2002. The two classes are of similar size at the two time points. As in the one class solution, we find the largest change in situation E (Genuine honey) from 1978 to 2002. In 1978 this situation triggered complaints from 50 per cent and 80 per cent in the two classes respectively, while the corresponding numbers in 2002 are 16 percent and 52 percent.

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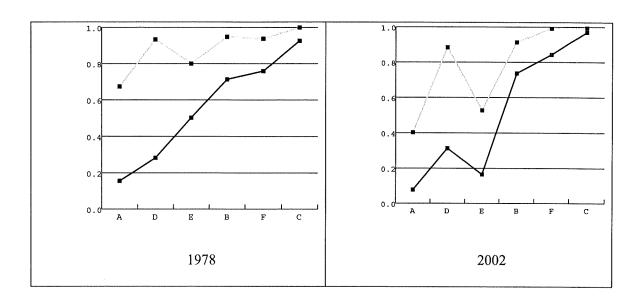


Figure 4

Propensity to Complain: 1978 and 2002, Distributed in Two Latent Classes

Legend: A=Socks, B=Carpet, C=Fridge, D=Pants and Sweater, E=Honey, F=Shelf

CONCLUSIONS AND DIRECTIONS FOR FUTURE RESEARCH

Based on the analysis of consumer complaint responses to the same six hypothetical situations in 1978 and 2002, it can be concluded that there was no increase in the complaint propensity in the analyzed population over the last 25 years. Apparently, the registered increase in filed complaints to the National Complaints Board does not reflect a corresponding increase in the general propensity to complain. On the contrary, the evidence suggests that the most marked change over the analyzed period is a decrease in the propensity to complain in some situations, namely those situations where the economic loss suffered due to the defect or deficiency seemed to be the smallest. One may speculate that as a result of rising incomes, for many consumers the expected benefits of complaining in these situations no longer justify the costs of spending time and effort pursuing the matter. Other societal changes, which only affect some, but not all of the situations covered in our measurement instrument may also have been involved. For instance, consumers may have grown so accustomed to nationally branded food products (for better or for worse) over the past 25 years that they no longer expect 'genuine' honey to have much to do with buzzing bees!

The approach used to measure the propensity to complain has a number of limitations which should be addressed in future research. Our approach is silent about the extent to which variation in the "complain" response can be attributed to variation in the perceived gravity of the situation or to external conditions regulating the propensity to complain, such as social norms. Further, because it focuses only on complaint responses, our approach is also silent about how complaining is linked to dissatisfaction. Kowalski

(1996) suggests that the individual's threshold for experiencing dissatisfaction is independent from, and depends on resources and personality traits other than his or her complaint threshold. He suggests, for example, that a personality trait's negative affectivity (sometimes equated with neuroticism), agreeableness and locus of control may influence a person's subjective experience of dissatisfaction.

Future research aimed at explaining complaint behavior, rather than just describing it, may include a measure of the individual's dissatisfaction threshold, conceptualized as a latent trait, 'the propensity to become dissatisfied,' and distinguished from the individual's assessment of any specific experience, analogous to the construct 'propensity to complain.' As suggested by Kowalski (1996) and others, an individual's personality-bound sensitivity to unsatisfactory experiences may be a valuable predictor of complaining in specific situations, supplementing the propensity to complain and the perceived gravity of the situation.

A causal analysis of complaining could (and should) be extended even further. In particular, we see two promising directions, recently travelled to some extent by a few scholars. First, the latent traits 'propensities to become dissatisfied' and propensities to complain' should be integrated in a larger, more comprehensive theoretical framework, such as the ones suggested by (Singh and Wilkes 1996) and (East 2000). In addition to propensities to become dissatisfied and to complain, a comprehensive model of complaint behavior should include attitudinal, normative, and control variables as well as additional personality traits and situation variables (see, e.g., (Thøgersen, Juhl & Poulsen 2003)).

Second, each situation's ability to provoke dissatisfaction/complaint responses need not be treated as fixed, as we did in the analyses presented here. By means of scenarios where various elements are varied across respondents it is possible to measure the response elasticities of these elements, just like factors in an experiment. Further, one might vary the response of the supplier to the complaint and in this way measure secondary dissatisfaction/complaint responses (Oliver 1997).

These remarks about causal analyses of complaining are not meant to derogate the usefulness of descriptive accounts, such as the one presented here. In this study we were limited by having only two measurement points, which is sufficient to evaluate the long-term trend in this important aspect of consumer sentiments, but not for monitoring possible short-term variations. We would suggest that our approach to measuring consumers' propensity be integrated into instruments for monitoring the development in complaining over time.

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