Voice, Exit, and Negative Word-of-Mouth Behaviors: An Investigation Across Three Service Categories

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Drawing upon Hirschman's (1970) framework for Exit, Voice and Loyalty, a model is proposed which predicts and explains variation in voice, exit, and negative work-of-mouth behaviors. The findings from extant consumer complaining behavior (CCB) literature are also incorporated into the hypothesized model. Using data from customer dissatisfaction with three different service categories, the proposed model is subjected to empirical investigation. Despite the parsimony of Hirschman's framework, results show that the hypothesized model provides good model-fit indices in each of the three data sets. In addition, the explanatory power of the model is encouraging, ranging from 36 percent to 50 percent variance explained. However, the support for the hypothesized pattern of CCB rates across the service categories is mixed. Specifically, while voice responses conform to the hypothesized pattern, exit responses do not. Implications stemming from a comparative analysis of the results are discussed, and directions for future research outlined.

INTRODUCTION

Research into the nature and causes of consumer complaint behaviors (CCB) has begun to receive increasing attention from practitioners, researchers, and public policy officials (Day 1984; TARP 1986; Andreasen 1984). Thus, Brinberg and E. Hirschman[1] (1986, p. 169) observe that the CCB phenomenon is "of great interest to marketing managers and hence to marketing researchers." Despite its importance, research into the understanding of the CCB phenomenon is often described as "fragmented" (Day 1984). This state of affairs has arisen because most previous research has suffered from four major shortcomings. First, most studies have tended to "collect facts rather than test hypotheses or develop theories." (Day 1980; p. 212). More theoretically based empirical research is critically needed. Second, most researchers have used rather simplistic conceptualizations for the dependent construct, CCB. For instance, researchers have attempted to show differences between "complainers" and "noncomplainers" (Grønhaug and Zaltman 1981). Richins (1983), however, notes that to "complain" involves at least three distinct activities: (a) switching brands/store (that is, exit), (b) making a complaint to the seller (that is, voice), and (c) telling others about the unsatisfactory experience (that is, negative word-of-mouth). In most previous research, explicit recognition of the multidimensional nature of CCB is lacking. Third, most studies have been preoccupied solely with documenting the variation in CCB responses across different industries (Best and Andreasen 1977). Relatively little work has been done, however, to understand why, in fact, CCB varies across product/service categories. Fourth, several studies report that services entail far greater customer dissatisfaction than products (Best and Andreasen 1977). Yet research into service dissatisfactions is a relatively neglected area.

The purpose of this study is to address some of the shortcomings of CCB research. However, I do not intend to introduce a new theory of CCB. Rather, the specific objective is to examine empirically a theoretical framework stemming from the work of Hirschman (1970). Although this framework is rather simplistic, it affords a theoretical basis for developing hypotheses that address several of the gaps outlined above. More specifically, it offers four distinct advantages. First, unlike the more descriptive work in CCB, this theory attempts to explain why a dissatisfied consumer would probably select a specific CCB response. Second, the quantity and the significance of the research stemming from Hirschman's theory has been such that three complete reviews have appeared (Laver 1976; Barry 1974; Hirschman

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1973). In addition, the theory has found application in understanding responses to dissatisfaction in areas ranging from work settings (for example Spencer 1986) to romantic relationships (for example Rusbult, Johnson and Morrow 1986). Thus, Hirschman's model promises to afford useful insights into the dissatisfaction processes resulting from the consumption of products and services. Third, this framework recognizes the multidimensional nature of CCB. In particular, it focuses on predicting voice and exit complaint responses. Also, this framework is amenable to further development to incorporate word-of-mouth CCB responses. Fourth, by specifically incorporating industry-level characteristics, this theory also attempts to explain why voice and exit responses are likely to vary across product/service categories.

This study has three distinct features. First, the theoretical model utilized in the study (a) incorporates the key elements of Hirschman's original theory, (b) includes an additional construct suggested by research stemming from Hirschman's work, and (c) expands Hirschman's model by explicitly including negative word-of-mouth (W-O-M) CCB. Second, although a few studies in marketing have appeared that utilize Hirschman's model, this study is different in terms of scope and orientation. Studies by Fornell and his associates and Andreasen (1985) are limited in scope because, while the former examined industry-level variables only, the latter focused on individual-level characteristics. By contrast, this study examines both types of variables, as suggested by Hirschman, by investigating the proposed model across three different service categories. In particular, consumer responses to dissatisfaction with grocery shopping, automotive repair service, and medical care are investigated.[2] Third, while earlier studies have been exploratory in nature this study is cast in a confirmatory mode. That is, a full information, LVSE method of analysis is utilized to examine the correspondence between the proposed model and data. Furthermore, when data are collected on a categorical scale (for example, Likert), Babakus, Ferguson and Jöreskog (1987; p. 226) report that the "*polychoric correlation* provided the best results—providing virtually unbiased estimates and smallest squared errors on the average." Thus, in testing the proposed model I utilize polychoric correlations rather than the traditional methods for computing correlations (for example, pearson moment). This would not only afford an unbiased test of the model presented but also provide more useful suggestions for future research.

The article is organized around four sections. First, Hirschman's model is discussed and hypotheses developed for empirical investigation. In doing so, the relevant CCB literature is also reviewed. Next, the method utilized for collecting and analyzing the data is discussed. Following this the results are presented. Finally, the results are discussed, and implications for managers and for further theoretical work in the area are provided.

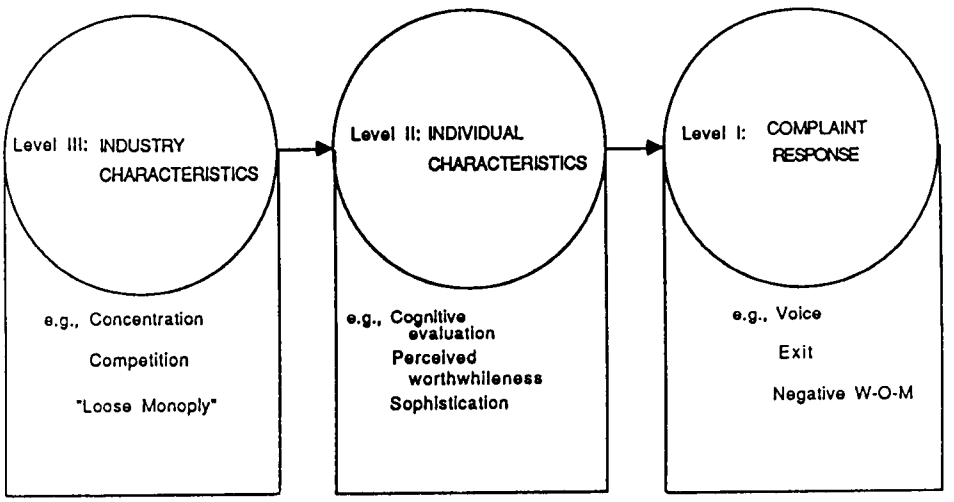
Conceptual Framework and Hypotheses

Hirschman hypothesized a relatively simple, three-level model (Figure 1). Consumer response to perceived dissatisfaction is the key dependent construct, one that is anticipated to be the main vehicle by which firms find out about their failures. Such responses, in turn, are functions of certain consumer characteristics (Level II, Figure 1). In addition, Hirschman postulated the nature of industry as a major source of variation (Level III, Figure 1). A detailed discussion of the three levels follows.

Level I: Consumer Responses

Hirschman considers three options that face a dissatisfied consumer; (a) exit, (b) voice, and (c) loyalty.[3] Exit is voluntary termination of an exchange relationship. Examples include switching patronage to another product/service, and/or retailer. Exit decisions are perceived as "painful" since they involve some effort, such as switching costs and searching for alternatives (Hirschman 1970, p. 81). The voice option is viewed from a proactive perspective as "any attempt at all to

FIGURE 1
Hirschman's (1970) Proposed Model



change rather than escape from an objectionable state of affairs." (p. 30). Mostly, these attempts are directed at the management or "anyone who cares to listen." (p. 4). Like the exit option, the voice response entails effort and motivation on the part of the consumer. By contrast, Hirschman views the loyalty option as a passive response. That is, "loyal" consumers neither exit nor voice. Rather, they continue to stick with the dissatisfying product/seller and "suffer in silence confident that things will soon get better." (p. 38). Thus, loyalty in Hirschman's model does *not* necessarily imply positive feelings toward the seller.

As is evident from the preceding, only two of the three options are nonredundant. In particular, the loyalty option is operative when a dissatisfied consumer neither exits nor voices. For this reason, most previous empirical research focuses on exit and voice as key dependent constructs (Fornell and Didow 1980; Grønhaug and Arndt 1980). In the CCB literature, there is evidence of yet another dissatisfaction response—complaining to friends and relatives (negative W-O-M) (Richins 1983). Although Hirschman's model does not consider W-O-M as a distinct dependent construct, the key hypotheses in his framework easily submit themselves to such extension. For this reason, the present research focuses on voice, exit, and negative W-O-M as the dependent constructs. Note, however, that these CCB options are *not* posited as mutually exclusive responses. Instead, the model accepts that consumers may often engage in multiple CCB responses, such as voice *and* exit behaviors.

Level II: Individual Characteristics

A main goal of Hirschman's framework is to understand why dissatisfied consumers choose specific CCB responses. Two major predictors are suggested:

1. An evaluation of the chances that the seller whose product/service caused the dissatisfaction would act on the basis of voiced problems in a way to be "back on the track." (for example, refund, remedy problem).
2. A judgment that it is worthwhile to take the above chance in voicing one's problems to the seller, as opposed to switching to another seller, engaging in negative W-O-M, or doing nothing.

In addition, reviews of Hirschman's model suggest another predictor of CCB responses: namely consumer sophistication (to be discussed) (Laver 1976; Andreasen 1985). A discussion of these antecedents and resulting hypotheses follows.

Perceived Probability Of Successful Complaint As An Antecedent. This predictor provides a probabilistic notion to consumers' expectations regarding the effectiveness of voice actions. That is, it posits not only an understanding of consumer perceptions about possible outcomes (for example, redress), but also the probability consumers attach to such consequences. Hirschman hypothesizes that a dissatisfied consumer would tend to choose voice actions if he/she is convinced that such actions would be effective in achieving desired consequences. Also, if the preceding condition applies, dissatisfied consumers "may well postpone exit" (p. 37) and engage less in negative W-O-M actions (Richins 1983).

Although the role of probabilistic evaluations has received some theoretical support (Day 1984), few previous studies have examined the hypothesized relationships directly. Instead, several researchers provide indirect evidence: Consumers who *do not* use the voice response perceive a lower probability of success in obtaining redress. For instance, Day reports that, of the dissatisfied respondents who claimed taking no action, over 35 percent did so because they "didn't think anything [they] could do would make any difference." Richins's research probably represents the only study in which the above relationship was examined directly. Her results show that the use of voice responses increases with the increasing probability of obtaining redress, irrespective of the product involved. The strength of the relationship (correlation) was of the order of 0.14, however.

While Richins did not investigate exit behavior, she found that the probability of success and W-O-M were negatively correlated (value= –0.15). In a recent taxonomical analysis, Singh (1988) reports that "private" complaint behaviors such as exit and W-O-M are related behaviors which constitute a single, homogeneous dimension of CCB. For this reason, it is plausible that Richins's findings regarding W-O-M may be relevant for exit behaviors as well.

I examine the following hypotheses about probability of successful complaint, voice, exit, and negative W-O-M behaviors in the three service categories:

- H_{1a}: Higher levels of perceived probability of successful complaint are associated with higher levels of voice behaviors, irrespective of the product/service category involved.
- H_{1b}: Higher levels of perceived probability of successful complaint are associated with lower levels of exit behaviors, irrespective of the product/service category involved.
- H_{1c}: Higher levels of perceived probability of successful complaint are associated with lower levels of negative W-O-M behaviors, irrespective of the product/service category involved.

Worthwhileness Of Complaint as an Antecedent. Hirschman envisioned this variable to constitute some form of cost/benefit analysis. For voice behaviors, direct costs are incurred "as buyers of a product . . . spend time and money" in order to achieve desired consequences (Hirschman 1970, p. 39). Benefits include redress of problem, refund, feeling of influence, and the possibility of better service in the future. Although costs and benefits can be treated separately, Hirschman proposed an overall subjective assessment of "worthwhile"—which combines costs and benefits from an individual's perspective; that is, consumers' assessments about questions along the lines of, "Would I take the time and effort (costs) to complain even if I was sure to get a refund (benefits)?"

Furthermore, he contended that in most cases consequences of exit actions are reasonably certain (for example, availability of alternatives). By contrast, consequences of voice actions are significantly less certain because of their dependence upon the seller's reactions. For this reason, consumer expectations about the worthwhileness of *voice* actions play a key role. Specifically, if voice is perceived as significantly worthwhile, then dissatisfied consumers may tend to use the voice option and *not* exit even though alternative products/services may be available (Hirschman 1970, p. 38). Likewise, negative W-O-M may be a less desirable option in the face of the positive worthwhileness of voice.

Within the CCB literature, Landon (1977) introduced the notion of the "benefit" of complaining as a predictor of CCB. Landon conceptualizes benefit as perceptions of payoff minus the cost of complaining. However, Landon posits that this concept is "quite complex," including payoffs such as "preventing the cause of their dissatisfaction from occurring to other customers," in addition to those identified by Hirschman.

However, few empirical studies have examined the preceding relationship directly. Instead, researchers have accumulated significant indirect evidence. For instance, studies by Day and his associates consistently show that a significant proportion of respondents (for example, 28–52 percent in Bloomington studies) *did not* use the voice response because they perceived "it was not worth the time and effort." Richins (1979) operationalized this construct for dissatisfaction with clothing and appliance products. Her results show that this construct was a mixed predictor of CCB, with correlations ranging from insignificant to 0.39.

I examine the following hypotheses about worthwhileness of complaint and voice, exit, and negative W-O-M behaviors in the three service categories.

- H_{2a}: The more the consumers perceive that their complaints would be worthwhile, the greater the tendency to engage in voice behaviors, irrespective of product/service category involved.
- H_{2b}: The more the consumers perceive that their complaints would be worthwhile, the lower the tendency to engage in exit behaviors, irrespective of product/service category involved.
- H_{2c}: The more the consumers perceive that their complaints would be worthwhile, the lower the tendency to engage in negative W-O-M behaviors, irrespective of product/service category involved.

Consumer Sophistication As An Antecedent. Consumer sophistication, in CCB research, is defined as an overall characteristic that includes a consumer's (a) knowledge about the alternatives in the marketplace, (b) awareness of consumer protection rights, (c) concern for quality and satisfaction, and (d) awareness of complaint mechanisms. Thorelli (1971) found some support for the notion that sophistication, or the "power of information," may be concentrated within a specific social class: those who are highly educated and have high income levels. Thus the *social class* is often thought to be indicative of consumer sophistication.

Although Hirschman does not explicitly propose the preceding antecedent, several reviews of his work suggest that his framework implicitly posits this construct as a major antecedent (Laver 1976; Andreasen 1985). For instance, Laver (1976, p. 465) observes:

> Hirschman makes the assumption that different people respond differently to quality decline (p. 48)—indeed much of this theory would collapse if he did not make this assumption—and to it we add the further assumption that they *notice* it at different times, as a result of differential information, education, perception, use, and so on.

Laver (1976) goes on to suggest that the sophisticated consumers engage in CCB not only because of cost/benefit or probability-of-outcome considerations but because such actions serve the larger interests of consumer welfare by making sellers correct for quality declines. Andreasen found that in the medical care "industry," where the "providers frequently tend to restrict consumer policing by withholding key information and discouraging consumer voicing," only the most sophisticated consumers are likely to perceive dissatisfaction and exit.

In the CCB literature, Warland, et. al. (1975) found that consumers who took some action when dissatisfied, tended to come from a distinct socioeconomic class: higher education, income and occupation. Bearden, Teel and Crockett (1980) defend the preceding relationship based on information and perceived risk arguments. Consumers from higher social classes are more self-confident, are heavier users of external information, and tend to perceive less risk or embarrassment in complaining. Because of these correlated attributes, such consumers are hypothesized to be active users of voice, exit, and negative W-O-M options.

I propose to examine directly the following relationships between consumer sophistication and voice, exit, and negative W-O-M behaviors.

- H_{3a}: The more sophisticated the consumer, the greater the tendency to engage in voice behaviors, irrespective of the product/service category involved.
- H_{3b}: The more sophisticated the consumer, the greater the tendency to engage in exit behaviors, irrespective of the product/service category involved.
- H_{3c}: The more sophisticated the consumer, the greater the tendency to engage in negative W-O-M behaviors, irrespective of the product/service category involved.

LEVEL III: INDUSTRY CHARACTERISTICS

Hirschman identified three industry scenarios: (a) competitive, (b) monopolistic, and (c) loose monopoly. A competi-

tive scenario is characterized by a large number of competing firms; perfect information; low, if not insignificant, initiation and exit costs (for consumers); and tendency to comparison shop. In this scenario, for dissatisfied consumers the most obvious response is exit, since consumers have knowledge about alternatives and exit costs are minimal. Exit results in a declining market share which provides managers with feedback signals to either correct for declines in product/service offering or perish. Hirschman likens this mechanism to the Invisible Hand, "the sort of mechanism economics thrives on." (p. 15).

By contrast, the monopolistic scenario is characterized by a single firm, no alternatives available to consumers, very high switching costs, and no possibility to shop around.[4] In this case, dissatisfied consumers have no choice but to use voice behaviors. Thus, voice provides the key mechanism for communicating dissatisfactions to management, and collective voice sets in motion a process that could repair "lapses" in such firms.

However, Andreasen (1985, p. 137) notes that "it is the case in a wide range of modern industries that a great many firms face neither a fully competitive nor a completely monopolistic market." Instead, many industries may be characterized by loose-monopoly conditions. For this reason, Hirschman especially focused on such industry structures (as will this study). What are the key attributes of loose-monopoly markets? Although Hirschman does not explicitly address this question, based on his original work and subsequent expositions by Andreasen, six key characteristics can be identified. These are shown in Table 1, along with their descriptions. Andreasen's research shows that the physician care "industry" meets most of these criteria.

For such industries, Hirschman hypothesizes that most dissatisfied consumers would tend *not* to take voice, exit, or W-O-M actions. Instead, they would tend to be passively "loyal." Consider, for instance, the physician care industry. Exit is a less attractive option since consumers lack knowledge about health care; several psychological inhibitions discourage such actions; and even if some patients take such actions, it may leave little impact on the physician (Andreasen 1984; p. 130). Likewise, because physicians usually discourage questions regarding treatment, and consumers lack knowledge to complain effectively, voice is not an attractive option either (Andreasen 1984). Thus, in a loose-monopoly condition, channels for communicating quality declines are relatively "blocked." Consequently, a mechanism that can correct for lapses is largely absent, resulting in a higher level of consumer dissatisfaction and lower societal welfare.

Just as there are few examples of truly "competitive" and "monopolistic" markets, it is intuitively clear that few industries would meet all of the criteria of loose-monopoly markets. Instead, industries may possess more or less loose monopoly conditions. In this study, the selection of the three service industries was motivated by a desire to obtain variance in loose-monopoly conditions. That is, we did not choose the service categories at random. Instead, we attempted to select a priori those industries that were highly likely to exhibit different amounts of loose-monopoly conditions.

After a careful review of published literature, the choice of service industries was narrowed down to *grocery retailing*, *automotive repair* and *medical care* services. An evaluative summary of how these industries rate on loose-monopoly characteristics is provided in Table 2. This summary is based on two pieces of information. First, secondary data were collected and analyzed for several industries. The three

TABLE 1
Key Characteristics of Loose Monopolies

(1) *Availability of Alternatives (AALT)*: consumers' beliefs about the availability of alternative providers/sellers who would provide better product/service and/or care more about customer satisfaction. Hirschman notes that in a loose monopoly although alternatives are available they are *not* perceived as providing better product/service (p. 24/25; also p. 44/45).

(2) *Restricted Information (RINFO)*: consumers' perceptions about the customs (or norms) prevalent in an industry that restrict the amount of information available to customers. Examples of such customs are discouragement of advertising and comparison shopping practices. Such restrictive customs are usually common in loose monopolies (Hirschman, footnote p. 27; Andreasen 1985).

(3) *Consumer Knowledge (CKNO)*: consumers' beliefs about their ability to judge the quality (e.g., if it is poor) of the various products/services offered by different industries. Hirschman observes that for loose monopolies, buyers are usually unable to detect poor product/service (p. 24/25).

(4) *Long Repurchase Cycle (LRCY)*: consumers' perceptions about the time it takes between buying a product/service and finding out that it was of poor quality in different industries. Andreasen (1984) notes that loose monopolies are generally characterized by longer LRCY, thus making providers less responsive to customer problems.

(5) *Lack of Impact (LIMP)*: consumers' beliefs about the impact (or lack thereof) of taking actions (e.g., complain, exit) in response to poor quality product/service in different industries. Andreasen (1984; 1985) as well as Hirschman (p. 45/46) observe that voice and/or exit actions are perceived as having little impact in loose monopolies.

(6) *Psychological Costs (PCOS)*: consumers' perceptions about the psychological costs or inhibitions involved in taking some action in response to poor quality product/service in different industries. Loose monopolies are usually characterized by psychological inhibitions on the part of consumers to take voice and/or exit actions (Hirschman 1970; p. 26).

TABLE 2
An Evaluative Summary of the Three Service Categories on Loose Monopoly Characteristics

Characteristic	← *Based on Secondary Research* →			← *Based on Pilot Study*[a] →				
	Grocery	*Auto-Repair*	*Medical care*		*Grocery*	*Auto-Repair*	*Medical care*	*F-value*[b]
1. AALT	Many competing firms with no dominant player (Progressive Grocer 1983)	Many options are available (Webbink 1978)	Supply of physicians is restricted (Andreasen 1985)	1. AALT	2.86 (0.10)	3.11 (0.11)	3.17 (0.12)	2.15
2. RINFO	Few, if any, restrictions in the flow of information (Progressive Grocer 1981)	Effort is required to obtain information (e.g., quotes) (Ritchie and and Claxton 1979)	Advertising and price communication is not customary (Cahal 1962)	2. RINFO	2.15 (0.12)	2.76 (0.12)	3.76 (0.10)	49.65**
3. CKNO	Easy to judge quality	Relatively difficult to ascertain quality because of technical nature (Day and Landon 1976)	Complex service; Very difficult to assess quality (Benham and Benham 1972)	3. CKNO	3.05 (0.13)	2.86 (0.14)	3.50 (0.13)	5.79**
4. LRCY	Relatively small because of its perishable nature	Varies from long to very long	Varies; generally relatively long (Andreasen 1984)	4. LRCY	1.85 (0.13)	3.24 (0.14)	3.67 (0.12)	52.46**
5. LIMP	No information available	Little impact since complaints about auto-repair to third parties are highest (Bearden et al. 1979)	Many consumers perceive doctors to be unresponsive to patient problems (Andreasen 1985)	5. LIMP	2.47 (0.15)	3.38 (0.16)	2.94 (0.15)	8.99**
6. PCOS	No inhibitions in complaining	Few hindrances in complaining (Bearden et al. 1979)	Complaining is generally considered inappropriate (Andreasen 1984)	6. PCOS	1.46 (0.06)	1.92 (0.08)	2.25 (0.10)	21.75**
7. Summary Measure				7. Summary Measure	13.84 (0.40)	17.27 (0.38)	19.28 (0.34)	54.33**

[a]Mean values with standard error in parentheses. Note, the items were so coded that higher values imply greater loose monopoly conditions.
[b]F-statistic for the null hypotheses that the mean values are not different across the three service categories.
**$p < 0.01$.

preceding industries were selected because they appeared to provide significant differentiation on loose-monopoly conditions. An individual profile was then developed based on the secondary data. Second, a pilot study of nonmarketing faculty and staff (n=51) was conducted to determine if consumers' perceptions support the information gleaned from secondary data. Such support was forthcoming, as is evident from Table 2. In particular, Table 2 suggests that, while grocery retailing represents a scenario *least* like a loose-monopoly and the medical care industry is *most* like a loose monopoly (as noted above), the automotive repair industry falls somewhere in between.

Hirschman's theory offers several hypotheses for variation in CCB responses across industries with varying loose-monopoly conditions. Specifically, he posits that voice, exit, and presumably W-O-M actions would be less common responses in "pure" loose-monopoly markets (reasons cited above). For industries that are least like a loose monopoly (for example, grocery), however, exit is the dominant response. This is so because better alternatives are easily available and psychological inhibitions are absent. For industries that lie in between (for example, automotive repair), it is hypothesized that both voice and exit responses would be prevalent. Because Hirschman did not consider W-O-M responses, specific hypotheses about this CCB cannot be offered a priori. Based on the preceding discussion, I examine the following hypotheses about voice, exit, and W-O-M behaviors in the three service categories.

H_{4a}: The incidence of voice behaviors would tend to vary significantly across the three service industries investigated.

H_{4b}: The incidence of voice behaviors would tend to be the lowest in medical care industry. Precise distinction between automotive repair and grocery retailing industry can not be offered, however.

H_{5a}: The incidence of exit behaviors would tend to

vary significantly across the three service industries investigated.

H_{5b}: The incidence of exit behaviors would tend to be lowest in the medical care industry. For grocery industry, exit behaviors would be the most frequent response, and somewhere in between for automotive repair industry.

H_6: The incidence of W-O-M behaviors would tend to vary significantly across the three service categories.

METHOD

Data Collection

The study involved a mail survey for which three different questionnaires were developed for each of the three service industries. Per usual practice, the items were modified somewhat to be relevant to the respective industry. The population of interest was defined as households who had a dissatisfying experience with the services of a given industry (for example, medical care). However, sampling frames of such a population are not easily available (Robinson 1979). A substitute procedure, suggested by Robinson (1979) (and fairly common in CCB research)—wherein a random sample of households is asked to preselect themselves based on whether or not they can recall a recent dissatisfying experience—was adopted. For each industry, a random sample of 1000 households was utilized for mailing the questionnaire packets. Thus, a total of 3000 questionnaires were sent out. Follow-up was accomplished by sending a reminder card, as well as telephone callbacks using the criss-cross directory.

The responses received for analysis were as follows: auto repair=155, medical care=166, and grocery shopping=176. True response rates cannot be estimated precisely since this would have involved estimating the proportion of the number of respondents to the number of households who had experienced a dissatisfaction with a specific service category. As noted above, the denominator of this proportion, households who had a dissatisfying experience, is an elusive number. However, telephone callbacks provided some estimate for this term.

In all, 1500 telephone callbacks were made, 500 for each service category. Telephone numbers were obtained from the criss-cross directory. A contact rate of about 80 percent was achieved (up to three calls were made to those not initially reached). Of those contacted, at least 70 percent stated that they had not responded because they could *not* recall a dissatisfying experience with the specific service category asked. In contrast, those who had experienced a "recent" problem were eager to participate and "let some one know" about their dissatisfaction. Note, that the dissatisfaction experience rate of 30 percent based on the telephone callbacks is consistent with prior research (Best and Andreasen 1977). Based on this, an estimate of response rates for the three surveys are as follows: automotive repair = 52 percent; medical care=55 percent; and grocery shopping=59 percent. Some of the responses had to be excluded because of incomplete data. Usable responses range from 116 in the automotive repair service to 125 in medical care.

Measures

Standard operationalizations for most measures were not available in the literature. Focus groups of faculty/staff were conducted in order to develop and supplement items for the independent constructs. The initial drafts of the questionnaires were pretested and revisions were made based on these comments.

Behavioral measures. Respondents were asked to describe a dissatisfying experience in the focal service that they remembered most clearly. Voice, exit, and W-O-M behaviors were assessed by asking what the respondent did after experiencing the stated problem. Multiple responses were allowed. Voice behaviors were measured by a three-item, dichotomous (Yes/No) scale. A single-item, dichotomous scale was employed to tap exit actions. Likewise, the W-O-M response was assessed by a single item dichotomous scale ("told my friends and relatives about my bad experience"). Coding was either 0 (no) or 1 (yes).

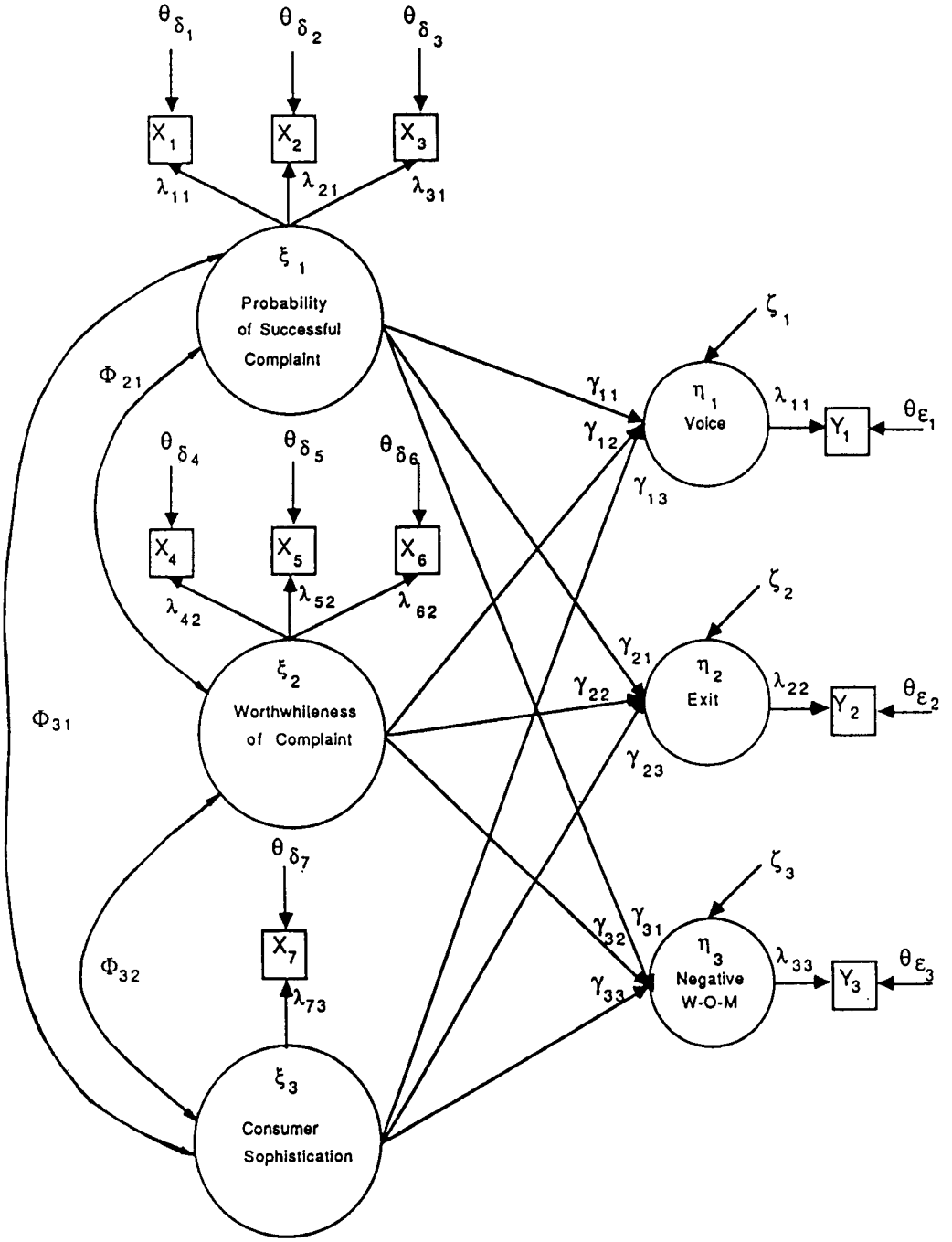
Probability of successful complaint. Richins's (1983) study provided the basis for this measure. A four-item, six-point very likely-very unlikely Likert scale was used. However, preliminary diagnostics indicated that one of the four items was providing inconsistent responses and thus had to be deleted. As is customary in the CCB research, respondents were asked to imagine that on their next trip to the grocery store (for example), a dissatisfying experience similar to the one they described had occurred again. Given this situation, the respondents were then asked the following set of questions: "Assume you reported the incident to the store how likely is it that the store would (a) take appropriate action to take care of your problem (refund, etc.); (b) solve your problem and give better service to you in the future and (c) be more careful in the future and everyone would benefit." Items were modified slightly to be appropriate for automotive repair and medical care problems. The composite scale reliability of this three-item measure is 0.84 in grocery, 0.89 in automotive repair, and 0.93 in medical care.

Worthwhileness of complaint. Although Richins (1979) provides an operationalization for the costs and benefits of the complaining construct, for several reasons this measure was not suitable to the present study. First, it measures costs and benefits separately and does not provide an overall measure for the worthwhileness of complaint. This is inconsistent with Hirschman's model. Second, some items are relevant for products but are not applicable for service categories (for example, repair the product). Third, the items are very specific and are not applicable across service categories.

Bagozzi's (1982) measure for the "value" provided the basis for an alternative operationalization. This particular measure essentially asks the respondents to evaluate the costs involved in voice actions, given that some particular benefit

(for example, refund) was sure to occur. This method allows an assessment of the worthwhileness concept since it forces a simultaneous evaluation of cost and benefits. In fact, some consumers may choose not to voice even if the benefits were sure to occur, merely due to the prohibitive costs (for example, time/effort) involved. Such notions were captured by a three-item, six-category scale and were worded in a manner suggested by Bagozzi (1982). For grocery problems, the respondents were asked: "How likely is it that you would report the incident to the store if you were pretty sure that the store would (a) take care of your problem to your satisfaction (b) solve your problem and give you better service in the future, and (c) be more careful in future and everyone would benefit." Items were modified slightly to be appropriate for automotive repair and medical care surveys. The composite scale reliability for this three item measure is 0.84 in grocery 0.89 in auto repair, and 0.93 in medical care.

FIGURE 2
The Empirical Model



Consumer sophistication. Consumer sophistication was operationalized as a social class construct. In particular, a formative measure of education, income and occupation was utilized. Each of the three demographic characteristics were measured in turn with a four-category scale. Furthermore, in each case the scale was coded 1 through 4, with higher numbers representing higher levels of the corresponding trait.

Method of Analysis

The hypotheses were evaluated by positing a structural equation model (Figure 2) and estimating its parameters with LISREL VI (Jöreskog and Sörbom 1985). For each of three data sets, a 10x10 matrix of *polyserial* and *polychoric* correlations was used as input. Also, for each latent variable, the first lambda was set to unity to fix the scale of measurement. The voice, exit, and W-O-M CCB were assumed to be measured without error. Estimates for the structural and measurement parameters were obtained for both the unweighted least squares (ULS) and maximum likelihood (ML) solutions. The ULS estimation is applicable when polychoric correlations are utilized and/or problems exist regarding multivariate normality. In contrast, the ML solution provides measures for the overall fit of the model as well as other useful diagnostics (for example, t-tests). Estimates from ULS procedure were initially examined. Substantial consistency was found between the ULS and ML estimates for each of three service data. Consequently, only the maximum likelihood estimates are shown.

The following steps were used to evaluate the maximum likelihood solution. First, a chi-square goodness-of-fit test indicated whether or not the model fit the data. Second, two indicators of goodness-of-fit—the goodness-of-fit index (GFI), and root mean square residual (RMR)—were used to assess the relative amount of variance and covariance explained by the model. GFI values close to 1.00 and RMR close to zero are indicative of good model fits. In addition, GFI and RMR are relatively unaffected by sample size.

TABLE 3
Summary Statistics for the Various Measures of Study
(All values multiplied by 100)

		← *Correlations*[a] →									
Measure[b]	*Mean*[c]	X_1	X_2	X_3	X_4	X_5	X_6	X_7	Y_1	Y_2	Y_3
X_1	4.78	100									
X_2	3.86	52	100								
X_3	3.75	46	80	100							
X_4	5.54	24	–04	00	100						
X_5	5.56	16	–05	–02	73	100					
X_6	5.37	03	–13	–08	46	69	100				
X_7	7.15	02	01	–00	16	15	22	100			
Y_1	0.76[d]	43	04	–07	36	30	24	05	100		
Y_2	0.13[d]	–35	–35	–28	1	05	18	35	–43	100	
Y_3	0.28[d]	–05	–22	–20	–04	15	11	02	–04	61	100
X_1	4.36	100									
X_2	3.74	72	100								
X_3	3.48	63	82	100							
X_4	5.43	29	18	09	100						
X_5	5.52	14	07	–09	62	100					
X_6	5.37	08	07	02	44	66	100				
X_7	8.51	14	09	08	18	06	–04	100			
Y_1	0.85[d]	32	11	12	22	–07	08	31	100		
Y_2	0.34[d]	–43	–40	–38	–03	–19	–10	–17	–36	100	
Y_3	0.57[d]	–32	–45	–27	–05	–08	–14	–19	–07	74	100
X_1	3.46	100									
X_2	3.11	82	100								
X_3	3.07	71	89	100							
X_4	5.32	06	13	12	100						
X_5	5.39	05	10	07	89	100					
X_6	5.44	04	08	04	82	92	100				
X_7	7.36	11	12	08	21	17	11	100			
Y_1	0.47d	25	29	22	45	52	47	10	100		
Y_2	0.49d	–35	–38	–35	–14	–10	–05	–06	–33	100	
Y_3	0.57d	–30	–23	–32	–16	–12	–05	07	12	62	100

[a]This is a matrix of polychoric and polyserial correlations.
[b]Measure label corresponds to Figure 2. Data is presented in the following order: grocery, automotive repair, and medical care.
[c]For voice (y1), exit (y2) and W-O-M (y3) behaviors, the proportion of respondents who responded "YES" is presented, instead of mean values.
[d]Indicates proportion of respondents who engaged in the corresponding CCB behavior.

TABLE 4
Extimated Maximum Likelihood Parameters of the Model in Figure 2

Parameter[a]	*Grocery Shopping*	*Automotive Repair*	*Medical Care*
Measurement Coefficients[b]			
λ_{11}	0.55[c]	0.74[c]	0.82[c]
λ_{21}	0.95 (6.29)	0.97 (9.99)	1.00 (14.39)
λ_{31}	0.84 (6.42)	0.84 (9.41)	0.89 (12.79)
λ_{42}	0.74[c]	0.55[c]	0.89[c]
λ_{52}	0.98 (8.82)	1.10 (4.74)	1.00 (19.94)
λ_{62}	0.70 (7.92)	0.58 (5.80)	0.91 (16.22)
λ_{73}	1.00[d]	1.00[d]	1.00[d]
λ_{11}	1.00[d]	1.00[d]	1.00[d]
λ_{22}	1.00[d]	1.00[d]	1.00[d]
λ_{33}	1.00[d]	1.00[d]	1.00[d]
Scale Reliabilities[e]			
ξ_1	0.84	0.89	0.93
ξ_2	0.85	0.76	0.95
Variance Extracted[f]			
Pvcξ_1	0.64	0.73	0.82
Pvcξ_2	0.66	0.54	0.87

[a]Standardized parameter estimates with t-values in parentheses.
[b]The 7 coefficients for ξ are followed by 3 for η.
[c]Corresponding λ set equal to unity to fix the scale of measurement.
[d]Corresponding λ, and therefore reliability is set to unity since these constructs are assumed to be measured without error. Note that the corresponding θ_ε is set to zero.
[e]Reported for the two ξs measures with error. Computed as follows:

$$\frac{(\Sigma\lambda_i)^2 \text{ var}(\xi)}{(\Sigma\lambda_i)^2 \text{ var}(xi) + \Sigma \text{ var}(\theta\delta)}$$

[f]Reported for the two ξs measured with error. Computed as follows:

$$\frac{\Sigma\lambda_i^2 \text{ var}(\xi)}{\Sigma\lambda_i^2 \text{ var}(xi) + \Sigma \text{ var}(\theta\delta)}$$

TABLE 5
Estimated Maximum Likelihood Parameters of the Model in Figure 2

Parameter[a]	*Grocery Shopping*	*Automotive Repair*	*Medical Care*
Structural Coefficients			
Dependent Construct: Voice			
γ_{11}	0.06 (0.67)	0.11 (1.15)	0.24 (3.18)
γ_{21}	0.31 (3.40)	0.00 (0.06)	0.50 (6.36)
γ_{31}	–0.00 (–0.01)	0.30 (3.32)	–0.01 (0.17)
Dependent Construct: Exit			
γ_{12}	–0.37 (–3.82)	–0.41 (–4.53)	–0.37 (–4.27)
γ_{22}	–0.01 (–0.19)	–0.17 (–2.19)	–0.06 (–0.69)
γ_{32}	0.35 (4.43)	–0.12 (–1.48)	–0.01 (–0.11)
Dependent Construct: Negative Word-of Mouth			
γ_{13}	–0.22 (–2.29)	–0.43 (–4.67)	–0.22 (–2.49)
γ_{23}	0.14 (1.50	–0.04 (–0.53)	–0.09 (–1.01)
γ_{33}	–0.00 (–0.03)	–0.14 (–1.69)	–0.03 (–0.34)
Inter-correlations			
ϕ_{21}	–0.04 (–0.42)	0.02 (0.20)	0.10 (1.12)
ϕ_{31}	0.01 (0.10)	0.10 (1.06)	0.12 (1.29)
ϕ_{32}	0.16 (1.72)	0.05 (0.58)	0.17 (1.85)
R-square for Dependent Constructs			
η_1	0.10	0.10	0.33
η_2	0.26	0.23	0.15
η_3	0.07	0.22	0.06
Coefficient of Determination for Structural Equations			
	0.49	0.36	0.50
Goodness-of-Fit Statistics			
GFI	0.89	0.86	0.87
RMR	0.08	0.08	0.03
Chi-square	92.10	106.41	40.08
df	24	24	24

[a]Standardized parameter estimate with t-values in parentheses.

Results

As an initial analysis, Table 3 summarizes the basic statistics (that is, means, correlations) for the measures of study obtained from the three service categories. The maximum likelihood parameter estimates obtained by fitting the hypothesized model to data from each of three service categories are depicted in Tables 4 and 5.

Overall Model Fit

Table 5 reveals how well the proposed model fits the data sets. The goodness of fit statistics for the three service categories are as follows: (a) grocery—chi-square=92, df=24, p<0.01, RMR=0.08, and GFI=0.89, (b) auto repair—chi-square=106, df=24, p, RMR=0.08, GFI=0.86, and (c) medical care—chi-square=40, df=24, p=0.021, RMR=0.03, GFI=0.87.

Note, the proposed model *cannot* be *statistically* rejected as a representation of observed responses in medical care data at 0.01 level of significance. For the case of grocery and automotive repair CCB responses, the fit is significant. Although this suggests that the hypothesized model is rejected on statistical grounds, problems with the chi-square test because of the reversal of traditional hypothesis testing (that is, in LVSE analysis the null hypothesis is the model of interest) are well documented (Fornell and Larcker 1981). For this reason, researchers have argued that greater prominence be given to other goodness-of-fit indicators. Viewed in light of these comments, the preceding results indicate that all three data sets yield comparable GFI (ranging form 0.86 to 0.89) and to some extent RMR (ranging from 0.08 to 0.03) values. This appears to suggest that on substantive grounds the proposed model is a reasonable simulation of actual CCB responses.

Furthermore, the explanatory power of the proposed model is encouraging. For instance, the hypothesized antecedents explain about 49 percent, 36 percent, and 50 percent of the overall variance in the dependent constructs for grocery shopping, automotive repair, and medical care data respectively. Clearly, while these explanation levels are significant, they do point toward some omitted antecedents (see discussion section). In addition, prediction of voice, exit, and W-O-M responses, taken individually, is not equivalent across the three data sets. In general, the exit responses are better predicted, in grocery and automotive repair data, with an

R-square of 0.26 and 0.23 respectively. For medical care data, the voice response is better predicted with R-square value of 0.33. However, the model does not predict W-O-M responses very well. Only automotive repair data produced R-square values exceeding 0.20.

Measurement Model, Reliability, and Discriminant Validity

The estimates in Table 4 indicate that the reflective constructs (that is, probabilty and worthwhileness) have acceptable reliability and evidence discriminant validity. Critical ratios based on the asymptotic standard error estimates provided by LISREL reveal that each indicator was significant at 0.01 level (that is, t-value 2.36 for a one-tailed test). Scale reliability estimates for these constructs range from 0.76 to 0.96 across the three service categories. This suggests that the measures have adequate and stable measurement properties. In addition, the use of Fornell and Larcker's criterion for discriminant validity (that is, variance extracted variance shared) suggests that the measures for probability of successful complaint and worthwhileness of complaint meet this criterion. For instance, in the case of medical data, the variance extracted by the probability of successful complaint construct is 0.82. By contrast, this construct shares only 0.0008 and 0.01 of its variance with worthwhileness and consumer sophistication constructs, respectively. Other comparisons of variance extracted and variance shared yield values of the same order, irrespective of the service category. Furthermore, variance extracted by all multiple-item constructs exceed 0.50, the conservative criterion for discriminant validity. Thus, each of the preceding measures evidence acceptable reliability and discriminant validity.

Structural Model

Probability of successful complaint as an antecedent. For hypothesis H_{1a}, the estimated path coefficients show that the relationship is supported in medical care data but not in grocery and auto repair data (first row, Table 5). For the case of auto repair, the path is borderline and in the direction expected from theory. By contrast, hypotheses H_{1b} and H_{1c} are unequivocally supported in all three data sets (rows 4 and 7, Table 5). In particular, related path coefficients range from −0.22 to −0.43 with associated t-values of 2.29 to 4.67. Thus, greater probability of successful complaint is associated with lower levels of exit and W-O-M responses, *irrespective* of the service category involved. For medical dissatisfactions, higher probability of successful complaint also appears to result in higher incidence of voice.

Worthwhileness of complaint as an antecedent. Do consumers' perceptions of the worthwhileness of complaint have an impact on their CCB responses? Results in Table 5 provide mixed support for the hypothesized relationships. Perceptions of worthwhileness of complaint positively and significantly affect voice responses for grocery and medical care data, as hypothesized by H_{2a} (see row 2 in Table 5). However, the automotive repair data yield anomalous results. In regard to H_{2b} and H_{2c}, the relationship is nonsignificant *irrespective* of the service category involved (see rows 5 and 8 in Table 5). The only exception is the exit response in automotive repair data; this path is borderline and in the direction hypothesized. Thus, the more the consumers perceive that complaining is worthwhile, the greater tendency to engage in voice responses. However, exit and W-O-M behaviors appear unaffected by worthwhileness of complaint, the exception being the automotive repair data.

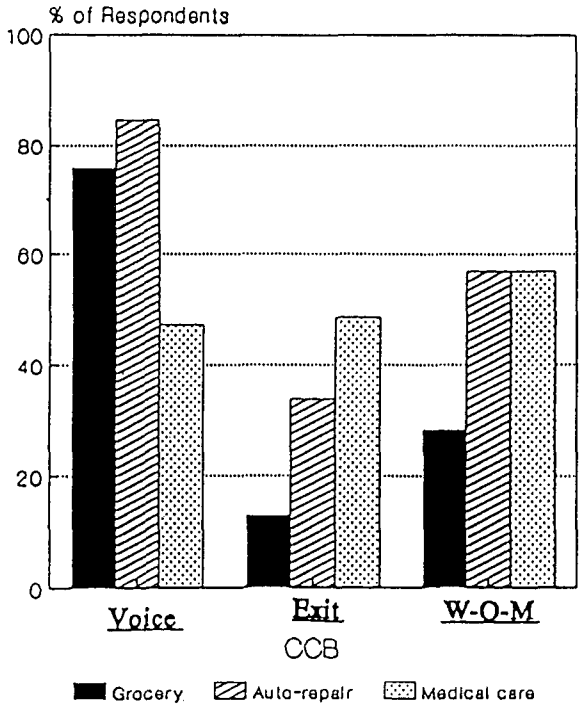


TABLE 6
Results for variance in Voice, Exit and Negative W-O-M (across the three service categories)

Dependent[a] Measure	← Service Categories → Grocery	Auto-Repair	Medical Care	Chi-square Value[b]	Cramer's V[c]
Voice CCB					
raw responses	94	98	59		
% of respondents	75.8	84.5	47.2	43 (0.00)	0.34
Exit CCB					
raw responses	16	39	52		
% of respondents	12.9	33.6	48.6	34 (0.00)	0.27
Negative W-O-M CCB					
raw responses	35	66	71		0.27
% of respondents	28.2	56.9	56.8	26.9 (0.00)	

[a]Because the dependent measures are dichotomous Yes/No type variables, we present data for "yes" responses only. Note, the no responses are redundant and can be derived from the table.
[b]Tests the null hypothesis that the dependent measure (e.g., voice CCB) is independent of the service category. P-value in parentheses.
[c]This is a measure of association derived from the chi-square statistic.

Consumer sophistication as an antecedent. Hypotheses H_{3a} through H_{3c} for direct effects of consumer sophistication on voice, exit, and W-O-M are *not* supported in any of the three data sets. There are two exceptional cases, however. For auto repair data, voice responses are positively affected by consumer sophistication; and for grocery shopping exit behaviors are likewise affected, as hypothesized under H_{3a}. This appears to support Grønhaug and Zaltman's (1981) contention that consumer demographics are poor predictors of complaining behaviors. However, this directly contradicts the hypothesis advanced by Bearden, et al. (1980), among others, that social class can explain variations in CCB.

Variation in CCB Across Service Categories

Hypotheses H_4 - H_6 were evaluated by utilizing contingency tables. A chi-square test statistic was used to examine if the CCB behavior varied significantly across the three service categories. In addition, Cramer's V was calculated to obtain a measure of association (Kendall and Stuart 1979; p. 588). The results are summarized in Table 6.

Variation in voice behaviors. Variation in voice behaviors was significant across the three service categories (chi-square=43; $p<0.01$; Cramer's V=0.34). Hypothesis H_{4a} is, therefore, supported. It was expected that the incidence of voice would be lowest for medical care (H_{4b}). This hypothesis was also supported. Only 47.2 percent of the respondents stated that they had voiced their dissatisfaction with medical care to their physician. By contrast, for auto repair problems, the incidence of voice behaviors was 84.5 percent. Likewise, 75.8 percent of the respondents voiced their problems with grocery shopping. This supports Hirschman's contention that "loose monopolies" tend to evidence lower voice rates.

Variation in exit behaviors. Hypotheses H_{5a} for variation in exit behaviors is supported by the data (chi-square=34, $p<0.01$, Cramer's V=0.27). However, the hypothesized order across the three services (H_{5b}) is not supported. Although exit was expected to be the *least* frequent response for medical care, the results indicate that, in actuality, this response is the *most* frequent among the three service categories. However, this is consistent with more recent research which found that over 63 percent of dissatisfied patients had changed physicians (exit), a value much higher than that found in most previous research (Andreasen 1985). Paradoxically, the grocery "industry," which was hypothesized to yield the *highest* incidence of exit CCB because it depicted the fewest features of loose monopolies (Table 2), in fact resulted in the *lowest* exit rate (12.9 percent). In an earlier comprehensive survey, Best and Andreasen (1977) reported that only 11 percent of the respondents had used the exit option for grocery-shopping related problems. Thus, results of this study are consistent with previous CCB studies. However, it calls into question Hirschman's contention that exit rates would decline with increasing loose monopoly conditions.

Variation in negative word-of-mouth behaviors. The incidence rates for W-O-M CCB varied significantly across the three service categories (chi-square=26.9; $p<0.01$; Cramer's V=0.27). Hypothesis H_6 is, therefore, supported. Although no specific hypothesis could be offered for the *pattern* of W-O-M responses, results in Table 6 indicate that W-O-M rates follow a pattern mostly similar to that of exit rates across the three service categories. For instance, as in the case of exit CCB, the grocery industry yielded the lowest incidence of W-O-M CCB (28.2 percent). Both auto repair and medical care problems produced comparable W-O-M rates (56.8 percent and 56.9 percent). However, note that, while the *pattern* of W-O-M responses is similar to that of exit rates, the *magnitude* of W-O-M CCB is consistently higher.

Discussion and Implications

This study aimed at empirically investigating a theoretical model for understanding CCB responses across product/service categories. The proposed model is based largely on Hirschman's (1970) Exit, Voice and Loyalty framework, although findings from the CCB literature were also incorporated. Substantively, this study moves away from the usual descriptive studies that merely describe complaint behaviors to examine models that explain such behaviors. Despite the inherent simplicity of the proposed model, this initial study shows encouraging support. In addition, the model compares well with prior research and extends our understanding about CCB. Thus, it appears that, because of its theoretical foundations and parsimony, Hirschman's model is a good starting point for further research into the CCB phenomenon. Specifically, the results afford several implications for theoretical work, managers, and future research. Each is discussed in turn. First, however, certain limitations of this study should be noted.

Limitations

The results should be evaluated in the light of some shortcomings. The test of the proposed model was limited to dissatisfactions resulting from grocery, auto repair, and medical care problems. For a more rigorous examination of Hirschman's model, more product/service categories should be examined. Also, this study is based on correlation data from a cross-sectional design. The usual caveats for determining sequential effects from such data are applicable. One specific limitation of the cross-sectional design is that the predictor variables and the behaviors are collected at the same time. In addition, how the complaint was actually handled by the service provider may have affected the responses. However, while the data may be limited in understanding complaint rates in the population, it appears adequate for the purposes of investigating relationships among complaint-related variables.

Theoretical Issues

Three findings are noteworthy: (a) level II predictors have differential relationships with CCB responses, (b) the CCB *process* evidences some consistency across the three service categories, (c) CCB *rates* vary significantly across service categories.

Differential Predictor-Response Relationship. Most prior research has neither proposed nor examined the possibility that different antecedents may affect different CCB responses differently. In two related studies, Richins found that predictors of W-O-M were *different* from those for voice. The results of this study extend this observation to exit responses. In particular, consumers' probability for the success of complaints was found to affect exit and W-O-M negatively, but did *not* influence voice (except in medical care). By contrast, the perceptions of worthwhileness—"is complaining worth the effort?"—were found to influence voice responses but did *not* affect exit or W-O-M responses. The exception to this pattern is the voice responses in auto repair data. Thus, the antecedents are found to differentially affect the CCB responses. This result underscores the growing recognition (for example, Day 1980; Singh 1988) that the understanding of the CCB phenomenon will remain incomplete as long as researchers do not incorporate a multidimensional view of CCB responses.

CCB Processes. Furthermore, the results afford insights into the CCB processes. Specifically, a clear and consistent picture emerges for the role of the "probability" construct. Exit and negative W-O-M behaviors are negatively influenced by the probability of success of consumers' complaints, *irrespective* of the service category. This suggests that people appear to defer exit and negative W-O-M as suggested by Hirschman (1970, p. 38) when there is a high probability that sellers would satisfactorily redress their complaints. Interestingly, the probability evaluations have a marginal influence, if any, on voice responses. Although this appears to contradict the hypothesis advanced by Hirschman as well as several CCB theorists (for example, Day 1984), there is precedent for this result. Richins (1983) found that perceived responsiveness of the marketing institution—a variable similar to the probability construct—showed no significant relationship with complaint (voice) behaviors. Nevertheless, this anomalous finding is troublesome and is not easily explained. More research is needed to understand this anomaly.

Additionally, voice response was consistently and positively affected by consumers' evaluation of the question, is complaining to sellers worth the effort? The only exception is the auto repair problems. This is also consistent Richins's results. Thus, Hirschman's contention that the choice of voice option is dependent on a cost/benefit analysis appears plausible. Taken together with the results for the probability construct, the findings suggest that worthwhileness and *not* probability of success is the major determinant of voice. This is *not* to imply that consumers would voice even when there is little probability of the success of complaint. Rather, the results presumably indicate that probability is not sufficient *in and of itself* to influence voice response. Instead, it appears that consumers must perceive that complaining is going to be "worth the effort" before they elect the voice option.

Interestingly, worthwhileness of complaint has at best marginal effect on exit and W-O-M behaviors, *irrespective* of the service category involved. Thus, while consumers' choices for exit and negative W-O-M responses are strongly (but negatively) influenced by the probability of the success of voice, consumers' evaluations of the worthwhileness of complaint are not implicated in such decision processes. A plausible reason for this finding could be that consumers are more prone to engage in exit and negative W-O-M actions when they perceive that redress would not be forthcoming from sellers if they voice their complaints; whether or not consumers actually voice complaints appears to have less to do with their decision to exit or use negative W-O-M. Nevertheless, more research is needed to examine this possibility.

In regard to the consumer sophistication construct, our results produced somewhat inconsistent and isolated effects. Exit responses for grocery-related dissatisfactions and voice responses for automotive repair problems were more prominent among sophisticated consumers. In all other cases, the effects were marginal or nonsignificant. These marginal findings argue for Grønhaug and Zaltman's earlier conclusion that demographics hold fortuitous, if any, explanatory power for understanding CCB responses.

CCB Rates Across Service Categories. The findings reveal that voice, exit, and W-O-M *rates* vary significantly with the nature of the service industry. However, mixed support is obtained for the hypotheses concerning the pattern of CCB rates. While voice rates conform to the prediction stemming from Hirschman's model, exit rates do not. Recall that predictions for W-O-M rates could not be offered because this response was not considered in Hirschman's theory. In particular, while voice rates tended to decline in loose-monopoly markets (that is, medical care), exit rates remained high. It is noteworthy that, in a comprehensive study of CCB responses conducted in 1975 (Best and Andreasen 1977), exit rate for medical care problems was only 9 percent (cf. 48.6 percent our study). However, in a more recent study, Andreasen (1985) found exit rate as high as 63 percent. These inconsistent findings do not allow a definitive statement on the hypothesis for exit responses. The changing nature of the medical care industry and/or idiosyncrasies stemming from the nature of the responding sample could be confounding factors. More research to understand CCB patterns is needed.

Managerial Issues

Results in Table 5 show that, irrespective of the service category, exit and W-O-M responses are less common when the sellers are perceived as responsive to consumer complaints. For marketers, exit and W-O-M are particularly detrimental responses because they are "invisible" (cf. Richins 1987) and do not submit easily to influence strategies. This study, however, suggests that, by communicating that they are responsive to consumer complaints (thereby increasing perceived probability of successful complaint), firms can influence the "invisible"—exit and negative W-O-M—CCB. Such communication programs may include devising and advertising clear and reasonable refund policies, as well as channels for consumer complaining (for example, toll-free numbers). More importantly, sellers can show responsiveness by prompt and courteous handling of legitimate complaints.

Benefits accruing to marketers from increasing the incidence of voice have been discussed elsewhere (TARP 1986). The results of this study appear to signal that devising

clear and reasonable refund policies is necessary but may not be sufficient to encourage dissatisfied consumers to *voice* their problems directly to the service provider. Instead, consumers must perceive that complaining is "worth the effort." Managers can use these findings to implement programs that help make the process of obtaining redress "easy" for consumers, thus shifting the cost/benefit equation in favor of voice. Examples of such programs might include reduced or simplified paperwork, training customer service representatives, and opening multiple avenues for delivering redress.

Furthermore, in monitoring CCB responses, service providers may find it advantageous to examine interfirm as well as interindustry comparisons. The former reveals how the focal firm is perceived (for example, responsiveness) relative to other competitors in the industry. This analysis can help guide programs that afford a competitive advantage. However, only an analysis of these perceptions across industries can reveal the presence of "spuriously" loyal consumers (Hirschman 1970), that is, dissatisfied consumers who neither voice nor exit (cf. medical care). Intraindustry results may not reveal such insights. Managers in the medical care industry should view our results as an opportunity to encourage voice responses and possibly build loyalty within its customer base.

Future Research Implications

Several directions of programmatic research can be mapped that may contribute to our understanding of the CCB phenomenon. From a conceptual standpoint, a more comprehensive empirical study across more product/service categories are appropriate next steps. From a measurement standpoint, attempts at conceptualization and operationalization of the loose-monopoly "construct" should be helpful. In addition, more work is needed in refining the measures of study. Future researchers can also gain valuable insights by tracking the temporal changes in CCB rates across several product/service categories.

More importantly, the encouraging results of this study suggest that Hirschman's model can be utilized as a sound avenue for theoretical development in CCB research. This will involve building and testing more complex models of CCB by including constructs that are "omitted" from Hirschman's theory. Current CCB research offers several possibilities: attitudes toward complain- ing, attribution of blame, personality variables, and several other constructs (see Singh and Howell 1985 for a review). In addition, although this study attempted to extend Hirschman's model to W-O-M responses, further development to include third party CCB responses should be fruitful.

CONCLUSION

Many scholars have noted that the CCB literature suffers from being descriptive and fragmented because most prior research is not theoretically based. This article attempted to examine empirically a rather simple theoretical model of CCB processes which is grounded in theory and has been utilized to study dissatisfaction responses in other areas of the social sciences. Using the three service data sets, explanation levels of the order of 40 percent could be achieved. In addition, a relatively consistent pattern for the effects of the key predictors of the model (probability, worthwhileness) emerged. However, less satisfactory explanation was forthcoming for the variation in CCB rates across the three industries. The results of this study, therefore, shed light on some questions but raise new questions for further inquiry. However, Hirschman's model is amenable to further extension and theoretical development. Thus, there is sufficient evidence to indicate that Hirschman's model can be a useful foundation for theoretical work in CCB research. Future research along these lines has the potential of significantly enhancing the understanding about why dissatisfied consumers respond the way they do.

ACKNOWLEDGMENT

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NOTES

1. We use the first initial of this author to avoid any confusion with Albert O. Hirschman who, in this paper, is referred to without any initials. Note, the focus of this paper is A. O. Hirschman's theoretical framework.
2. The reason behind the selection of these specific service categories is described at a later point in the paper.
3. Recently Rusbult and Zembradt (1983) have extended Hirschman's typology to include a "neglect" option. Neglect engenders ignoring the partner in exchange, refusing to discuss problems and treating the partner badly (Rusbult, Johnson and Morrow 1986). Although this option has been found to be useful in exchanges that involve face-to-face interaction (for example, romantic relationship, employee-supervisor), it may be less relevant to consumers involved in the consumption of products and services.
4. Hirschman (1970) provides several real-life examples which meet these conditions. Most of these examples stem from the public sector, such as the local governments.

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