# A Service Perspective on the Drivers of Complaint Intentions

Clay M. Voorhees Michael K. Brady

Florida State University

This study assesses the effects of service evaluations in a failed service experience on complaining intentions in a future encounter. A model is developed and tested that investigates the relationships between service quality, satisfaction, social justice, and future complaint intentions. A sample of 525 dissatisfied customers across numerous service industries is used to test the model. Results support the model and suggest that otherwise fair service in a failed service experience increases complaint intentions in future failed encounters. Specifically, the authors find that firms that are perceived to treat customers fairly during a service failure and that have employees perceived to be responsive are rewarded with higher future complaint intentions. They also find that service quality and satisfaction have significant, negative effects on future complaint intentions. Moderation analysis indicates that the findings do not depend on a customer's attitude toward complaining. Implications for practice and future research are discussed.

**Keywords:** complaint behavior; justice; customer satisfaction; service quality; structural equation

modeling; moderation analysis

There is a considerable gap between service companies that manage complaints well and those that do not (Hart, Heskett, and Sasser 1990). Whereas the average service company experiences 100% turnover of its customer base every 5 years (Morphy 2002), a few service leaders, such as Hampton Inn, have enjoyed substantial revenue gains and industry-high retention rates following the implemen-

tation of improved service guarantees and better failure and complaint management systems (Tax and Brown 1998). Successful firms encourage customers to complain through aggressive corporate policies and the actions of employees, whereas the average firm takes a passive approach to complaint management (Firnstahl 1989). As a result, up to 95% of customers do not complain following a service failure (Smith, Bolton, and Wagner 1999; Tax and Brown 1998).

Although most firms may realize that it is in their best interest to encourage complaints from dissatisfied customers, little guidance on how to encourage complaints is available to managers. A common theme in the literature is that consumers complain if they have a high attitude toward complaining (Kim et al. 2003; Singh and Wilkes 1996), which is a trait that is largely unmanageable by service firms. These findings may lead managers to believe that consumers only complain if they are predisposed to complain and regardless of perceived service. However, evidence of the effects that firm and employee actions have on complaining behavior suggests otherwise. For example, one study revealed that almost 66% of Sears's customers did not complain because Sears's employees were perceived to be unreceptive (Schlesinger and Heskett 1991). These results suggest that the actions and attitudes of employees may play an important role in determining whether customers complain.

Consider an example of a dissatisfied airline customer. The customer may have been dissatisfied with an encounter because the plane was late due to mechanical problems, but if the gate agent is empathetic to the plight of the waiting passengers (interactional justice) and company proto-

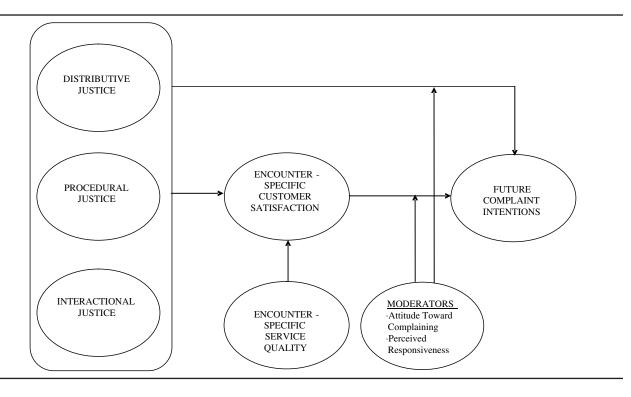


FIGURE 1 The Research Model

col dictates that these customers have to be updated at regular intervals (procedural justice), positive outcomes such as an increased propensity to complain are possible. This scenario infers that failed encounters present not only an obstacle but also an opportunity. The results of the Sears study support this inference, as indifferent and unhelpful salespeople suppressed complaint behavior (Schlesinger and Heskett 1991).

However, outside of select case studies and a few general recommendations in the popular press, the marketing literature offers little empirically supported guidance that can help firms address this critical issue. We contend that there is much to be gained from addressing complaining behavior from a service marketing perspective. Unfortunately, efforts such as these are sparse, and managers and researchers are left pondering as to why consumers complain and if there is a relationship between perceptions of service and consumers' intentions to complain in the future. The goal of this article is to answer this question, close these gaps, and develop a new framework that provides evidence of how service firms can encourage consumers to voice their complaints.

The premise of this study is that, just as information gained in successful service encounters can influence future repurchase intentions (Zeithaml, Berry, and Parasuraman 1996), information gained in failed service

encounters can influence future complaint intentions. Thus, good service practices such as treating customers fairly and training employees to be responsive yield benefits even when things go astray. The model depicted in Figure 1 draws on variables from the service marketing literature and assesses their effects on future complaint intentions. Results reveal that the actions of service firms in the (failed) encounter are important predictors of whether customers intend to voice complaints in future failed encounter situations. Specifically, we find that positive justice perceptions derived from the encounter and employees who are perceived to be responsive have positive effects on future complaint intentions. Moreover, these relationships do not depend on consumers' attitude toward complaining.

These findings extend the literature in at least two ways. First, few studies have addressed conceptual service relationships in failed service encounters prior to recovery. Our findings extend the service literature in documenting the similarities and differences in key service relationships in the context of a failed encounter and in predicting complaint intentions rather than purchase-oriented outcomes such as behavioral intentions (e.g., Cronin, Brady, and Hult 2000). Second, there remains a limited understanding of how consumers arrive at the decision to complain and what approaches service managers can use to encourage customers to voice their dissatisfaction to the firm. Our findings help to uncover the service factors that drive complaint intentions, and the results point to some of the same indicators of good service that have been shown to drive behavioral intentions in the context of a successful service encounter. Thus, our study also extends the complaining behavior literature, which tends to focus on customer characteristics as key drivers of complaining.

# **CONCEPTUAL BACKGROUND**

A large body of research in the service marketing literature examines the effects of service variables (e.g., customer satisfaction) on outcome measures (e.g., behavioral intentions). However, the outcome measures used in this research stream tend to be limited to assessments of repeat purchase, customer loyalty, and word-of-mouth intentions (e.g., Cronin, Brady, and Hult 2000). In addition to these purchase-oriented outcomes, service encounters may also conclude with the formation of intentions to complain following unsatisfactory service (Zeithaml, Berry, and Parasuraman 1996). Yet few studies have attempted to investigate the effects of service variables on complaint intentions. This study is intended to address this gap in the literature. Our conceptual background begins with a current assessment of the literature and then moves into a discussion of the effects of social justice, service quality, satisfaction, consumers' attitudes toward complaining, and perceived service provider responsiveness on future complaint intentions.

# **Social Justice and Satisfaction**

Investigations into the role of justice in social exchange have been ongoing since Homans (1961) introduced the concept of distributive justice. Since its development, many studies have extended the original conceptualization of distributive justice; however, its general definition remains consistent. Distributive justice is defined as the degree to which consumers feel that they have been treated fairly with respect to the outcome of the service encounter. In an effort to expand the social justice concept, two new subdimensions of justice have been introduced: procedural and interactional justice. Interactional justice was introduced and supported as an important aspect of social justice by Bies and Moag (1986). It is defined as the degree to which consumers are treated fairly in their interactions with a firm's employees. More recently, Goodwin and Ross (1990) introduced procedural justice, which assesses the justice of the firm's policies and procedures.

In the service recovery literature, all three justice dimensions are supported as drivers of satisfaction assessments (Bolton and Lemon 1999; Goodwin and Ross 1990, 1992; Hoffman and Kelley 2000; Maxham and Netemeyer 2002; Smith, Bolton, and Wagner 1999). However, with few exceptions, extant research that investigates the role of the three justice dimensions has been limited to the service recovery process. The limited application of the effects of justice outside the realm of postfailure experiences is surprising given that the original conceptualizations of justice (Adams 1963, 1965; Homans 1961) assumed that perceptions of justice affected all types of social exchange, not just evaluations that are made during recovery. One of the primary goals and contributions of this study is to investigate the effects of distributive, procedural, and interactional justice throughout the entire failed service experience.

Prior studies on service recovery have demonstrated consistent relationships for all three justice dimensions. Specifically, distributive, procedural, and interactional justice have been supported as antecedents of satisfaction with recovery, perceived complaint handling, and wordof-mouth intentions (Blodgett and Anderson 2000; Blodgett, Hill, and Tax 1997; Maxham and Netemeyer 2002, 2003; Ruyter and Wetzels 2000; Tax, Brown, and Chandrashekaran 1998). We suggest that, because consumers' evaluation processes are similar in pre- and postfailure contexts, these relationships should also apply to the encounter in which the failure occurs. Based on the findings of previous research, we contend that perceptions of distributive, procedural, and interactional justice derived from the failed service encounter have a positive influence on satisfaction with the encounter.

Hypothesis 1: Perceptions of distributive, procedural, and interactional justice derived from a failed service encounter will have a positive influence on consumer satisfaction.

Although research into the applications of social justice has grown considerably, no previous studies have investigated the effect of social justice on consumer complaining. This gap is surprising given the need for service managers to better understand how to encourage complaints and because related studies indicate that this link is worthy of investigation. Prior research on service recovery has identified a relationship between employees' extra role behaviors and all three social justice constructs (Maxham and Netemeyer 2003). It has also been suggested that employees and the manner in which they interact with consumers are an important predictor of customer evaluations (Bitner, Booms, and Tetreault 1990). Situations such as these are indicative of the service recovery paradox, which suggests that consumers may exhibit more favorable evaluations of a firm after a successful service recovery than if a failure did not occur in the first place (Hart, Heskett, and Sasser 1990; McCollough, Berry, and Yadav 2000; Smith and Bolton 1998; Spreng, Harrell, and Mackoy 1995).

We extend these findings and propose that service firms can encourage customers to complain under similar circumstances in the future by offering customers fair interactions with their employees and fair procedures during the failed encounter. This contention is supported by signaling theory, which suggests that consumers often use cues derived from a purchase encounter as signals of future performance (Kirmani and Rao 2000). In the case of service encounters, which are inherently high in experience qualities, consumers may view fair treatment in a failed encounter as an indication that the provider will respond fairly to complaints in the future, thus increasing their likelihood to complain if they are dissatisfied with a future service experience. Therefore, we propose the following:

Hypothesis 2: Perceptions of distributive justice derived from a failed service encounter will have a positive influence on future complaint intentions.

Hypothesis 3: Perceptions of interactional justice derived from a failed service encounter will have a positive influence on future complaint intentions.

Hypothesis 4: Perceptions of procedural justice derived from a failed service encounter will have a positive influence on future complaint intentions.

Research in the consumer behavior literature supports a direct relationship between low levels of satisfaction and complaining behavior (Bearden and Teel 1983). That is, as customers become more dissatisfied, their propensity to complain increases. Research in the service literature supports an indirect relationship between service quality, satisfaction, and outcome measures (Cronin, Brady, and Hult 2000). Specifically, it is suggested that the effects of service quality on consumers' behavioral intentions may be fully mediated by customer satisfaction (Cronin, Brady, and Hult 2000). The rationale for the latter argument lies in the conceptualization of service quality and satisfaction as cognitive and affective evaluations of the service experience that prompt conative reactions (cf. Gotlieb, Grewal, and Brown 1994). When applied to a service failure scenario, findings from both literatures suggest (a) as service quality and satisfaction decrease, consumers' conative response (complaint intentions) increases, and (b) the effect of service quality on complaint intentions is indirect through satisfaction. Thus, we propose the following:

Hypothesis 5: Satisfaction derived from a failed service encounter will have a negative influence on future complaint intentions.

Hypothesis 6: Perceptions of service quality derived from a failed service encounter will have an indirect

and negative influence on future complaint intentions.

The above hypotheses infer that the relationship between the justice dimensions and future complaint intentions is complex. On one hand, positive perceptions of interactional, procedural, and distributive justice directly improve the probability of complaining (e.g., Hypotheses 2-4). On the other hand, these justice dimensions increase satisfaction, which in turn decreases complaint intentions (e.g., Hypotheses 1 and 5). This latter series of relationships brings forth an issue that should be addressed. Namely, do positive perceptions of justice improve the probability of complaints? We suggest that although more satisfied customers are less likely to complain, the positive direct effects of interactional, procedural, and distributive justice outweigh the negative indirect effects.

Hypothesis 7: There is an overall positive effect of social justice on future complaint intentions.

# **Moderating Effects of Responsiveness** and Attitude Toward Complaining

In addition to a variety of main effects, the complaining behavior literature has more recently advanced potential interaction effects between satisfaction and situational and personality characteristics. Specifically, perceived retailer responsiveness and attitude toward complaining have emerged as factors that influence consumers' complaining behavior. Customers' attitude toward complaining is defined as a predetermined disposition toward the "goodness" and "badness" of complaining (Singh and Wilkes 1996). Based on attitude theory (Ajzen and Fishbein 1977), it can be inferred that these predisposed attitudes will moderate the effects of situational triggers, such as encounter-specific dissatisfaction responses, on intentions to complain. In doing so, it is likely that consumers with a high predisposition toward complaining will be more likely to complain, regardless of the levels of dissatisfaction or justice that they experience, and therefore the direct effects of satisfaction and justice will be relegated to lesser roles. Alternatively, future complaint intentions for a customer with a low attitude toward complaining would be driven more by satisfaction and justice, causing the direct effects of these variables on complaint intentions to be stronger.

Hypothesis 8: Consumer attitudes toward complaining will moderate the effects of social justice (distributive justice, interactional justice, and procedural justice) and customer satisfaction on future complaint intentions to the extent that the effects of social justice and satisfaction on complaint intentions will be stronger when attitudes toward complaining are low.

Perceived responsiveness is another potential moderator that is worth considering, as it has been identified as an important factor for encouraging complaints (Tax and Brown 1998). Perceived responsiveness of a retailer is defined as the perception of the willingness of the service firm to remedy the problem and to provide a complaint-handling mechanism (Richins 1987). It has been proposed that there is a positive relationship between the responsiveness of the firm and complaint behavior (Richins 1983, 1987). Richins (1987) found that as consumer perceptions of responsiveness increased, they became more likely to seek redress.

Global evaluations of the firm, such as perceived responsiveness, have a strong effect on consumer behavior because they are often formed across several experiences with a firm and therefore tend to be deeply entrenched evaluations. In fact, it has been proposed that consumers can form global perceptions of a firm based not only on prior experience but also through indirect experience via word of mouth or a firm's reputation in the industry (cf. Oliver 1981). Because global evaluations are entrenched and based on information from multiple sources, they may dominate consumers' evaluations of service experiences. Accordingly, based on blocking theory (Kamin 1969), these entrenched beliefs can block or suppress the effects of situational evaluations of service, such as encounterspecific satisfaction and justice evaluations. In a service failure situation, when consumers' perceptions of responsiveness are high, then according to blocking theory, the effects of social justice and satisfaction are suppressed and relegated to secondary roles. van Osselaer and Alba (2000) demonstrate similar effects in their study of the effectiveness of brand equity evaluations in blocking the effects of quality-determining attributes on quality perceptions. Thus,

Hypothesis 9: Perceived service provider responsiveness will moderate the effects of social justice (distributive justice, interactional justice, and procedural justice) and customer satisfaction on future complaint intentions to the extent that the effects of social justice and satisfaction on future complaint intentions will be stronger when perceived responsiveness is low.

# **RESEARCH METHODS**

Respondents were recruited in a single metropolitan area in the southeastern United States by trained interviewers. Phone numbers were collected for each respon-

TABLE 1
Demographics of Sample

Sample size (N)	525
Age (%)	
Younger than 25 years	22.1
25-35 years	19.0
36-45 years	16.4
46-55 years	31.8
56 years and older	10.7
Gender (%)	
Male	45.6
Female	54.4
Ethnic status (%)	
Caucasian	82.3
African American	5.5
Hispanic	7.8
Asian American	3.0
Other	1.3
Education (%)	
Less than high school	1.7
High school graduate	10.0
Some college	38.7
College graduate	27.9
Some postgraduate work	8.1
Graduate degree	13.7
Income/year (%)	
Less than \$20,000	14.7
\$20,000 to \$39,999	17.6
\$40,000 to \$59,999	15.2
\$60,000 to \$79,999	13.1
\$80,000 to \$99,999	11.3
More than \$100,000	28.1

dent and checked across the sample to ensure independence among the observations. The general demographic composition of the sample (listed in Table 1) adequately mirrored that of the regional population.

Respondents were asked to reflect on a recent (within the past 6 months) failed service experience that served as the basis for completion of the survey. To augment memory of the incident, respondents were first asked to write down some specific information about the failure, including how it occurred and whether and how it was resolved. Respondents then completed items that asked about the service provided during the failed encounter, which included the assessment of both prerecovery perceptions and questions that assessed perceptions of any recovery effort. Moreover, interviewers were present during the completion of the surveys to address any questions that the respondents had while completing the survey. In total, 525 respondents provided data suitable for analysis.

#### Measurement

To measure distributive, procedural, and interactional justice of the entire failed service experience, we modified the scales used by Maxham and Netemeyer (2002, 2003) in a recovery setting to apply to a failure setting. The three scales had five items each for a total of 15 justice measures. The items proved to be reliable, with construct reliability estimates that ranged from .95 to .96. Customer satisfaction is a judgment that the product or service provides a pleasing level of consumption fulfillment (Oliver 1981, 1997). Three encounter-specific items from Oliver's (1997) satisfaction scale were adopted and proved to be internally consistent with a construct reliability estimate of .92. Perceived service quality is an evaluation of firm performance. Four encounter-specific items from Oliver's (1997) overall service quality scale were adopted and proved to be internally consistent, with a construct reliability estimate of .97. To measure future complaint intentions, we used two items from Singh's (1988) complaint intentions scale that were adapted to refer to the actions the respondent would take if a similar event were to occur in the future (see appendix). Although Singh (1988) originally proposed three items, subsequent studies support measuring complaint intentions with a two-item subset of the original scale (cf. Kim et al. 2003). The future complaint intentions scale was internally consistent, with a construct reliability estimate of .70.

The moderating variables were also measured based on preexisting scales. Attitude toward complaining was measured using a two-item subset of the scale proposed by Blodgett, Granbois, and Walters (1993). The scale had a construct reliability estimate of .78. To measure perceived retailer responsiveness, three items were adapted from responsiveness scales reported in the literature (e.g., Blodgett, Granbois, and Walters 1993; Richins 1987). These items measured the degree to which the consumer perceived that the service provider would address his or her problem. This scale was also reliable, with a construct reliability estimate of .82. Further details on the survey instrument, including a complete listing of the items adopted, are provided in the appendix.

#### **RESULTS**

The measurement quality of the five main latent variables and the two moderator variables was assessed using confirmatory factor analysis (Anderson and Gerbing 1992). A comprehensive measurement model was estimated that included each observed indicator, where all observed variables were forced to load on their respective latent variables and were not allowed to cross-load. Sev-

eral fit indices were evaluated to assess the fit of the measurement model to the data. Each index was adopted based on recommendations from the psychometric literature that supported their consistency and ability to assess unique aspects of model fit. Specifically, the comparative fit index (CFI) and Bollen's (1989) incremental fit index (IFI) were adopted to assess the proportionate improvement in fit of the measurement model over a more restricted baseline model (Bentler 1990; Bollen 1989). The CFI is one of the most reliable incremental fit indices and is the most reported measure of fit in the literature (McDonald and Ho 2002). The IFI is also reported to be one of the more consistent incremental fit indices (Bollen 1989). In addition to these incremental fit indices, the standardized root mean square residual (SRMR) was also used to assess model fit. The SRMR accounts for the average difference between the predicted and observed variances and covariances in the model, based on standardized residuals (Bentler 1995). When these indices are used in conjunction to evaluate model fit, values that approach .95 for the CFI and the IFI and values less than or equal to .08 for the SRMR are indicative of a good fit of the model to the data (Hu and Bentler 1999).

Results of the confirmatory factor analysis indicate that the measurement model fit the data well ( $\chi^2 = 898.25$ , df =349; CFI and IFI = .99; SRMR = .045). The chi-square statistic was significant (p < .001), but this was expected because the chi-square statistic is sensitive to large sample sizes (n > 200; Marsh, Balla, and McDonald 1988). All measures included in the analysis were reliable, with construct reliability estimates that ranged from .70 to .97. In addition, convergent validity was supported as all items loaded strongly and significantly on their respective factors, and the average variance extracted (AVE) for each latent variable exceeded .50 (Fornell and Larcker 1981). Furthermore, the average variance extracted for each latent factor exceeded the respective squared correlation between factors, providing evidence of discriminant validity (Fornell and Larcker 1981). Complete results of the confirmatory factor analysis, including completely standardized measurement coefficients, average variances extracted, composite reliabilities, means, standard deviations, and correlations among the latent factors, are provided in Table 2.

Following confirmation of the measurement of the latent variables, the conceptual model was tested, and fit of the model was assessed. Overall, the results of the structural test provided strong support for the proposed model. Although the chi-square value was significant ( $\chi^2$  = 740.00, df = 238), the other fit indices indicated that the model offered excellent fit to the data (CFI and IFI = .99; SRMR = .034). Moreover, all of the gamma and beta parameters were significant, with the exception of the paths

TABLE 2
Results of Confirmatory Factor Analysis: Means, Standard Deviations,
Average Variances Extracted, and Composite Reliabilities

Construct	Mean	Stand	ard Deviation	ı	Average Varia		α		
Distributive justice	3.33		2.06		.84			.96	
2. Procedural justice	3.25	1.82			.80			.95	
3. Interactional justice	3.38	1.86			.79			.95	
4. Perceived service quality	2.92	1.69			.87			.97	
5. Satisfaction	2.96	1.81			.78			.92	
6. Perceived responsiveness	4.64	1.47			.63			.82	
7. Attitude toward complaining	4.39	1.55			.65			.78	
8. Future complaint intentions	4.97		1.85		.54			.70	
		Correl	ation Matrix						
Construct	1	2	3	4	5	6	7	8	
Distributive justice	1.00**								
2. Procedural justice	.79**	1.00**							
3. Interactional justice	.59**	.74**	1.00**						
4. Perceived service quality	.65**	.73**	.70**	1.00**					
5. Satisfaction	.68**	.72**	.62**	.78**	1.00**				
6. Perceived responsiveness	.11**	.11**	.22**	.12**	.12**	1.00**			
7. Attitude toward complaining	.05**	01**	02**	.02**	01**	.12**	1.00**		
8. Future complaint intentions	.10**	.04** .07**		.00**	03**	.13**	.25**	1.00**	

NOTE: Model fit:  $\chi^2 = 898.25$ , df = 349; comparative fit index = .99; incremental fit index = .99; standardized root mean square residual = .045. \*p < .05. \*\*p < .01.

from interactional justice to satisfaction and procedural justice to future complaint intentions. These results fully support Hypotheses 2, 4, 5, and 7 and partially support Hypothesis 1, but they fail to support Hypothesis 3. The direct effect relationships proposed in Hypotheses 1 through 5 were tested by examining the *t* statistic of the respective path estimates; however, more in-depth analysis was required to assess the relationships proposed in Hypotheses 6 through 9.

Specifically, to test the mediated relationship between service quality, satisfaction, and future complaint intentions as stated in Hypothesis 6, an adapted version of Baron and Kenny's (1986) procedure for mediation testing was used (cf. Maxham and Netemeyer 2002). For mediation to be supported, four conditions must be met: (a) the independent variable (perceived service quality) must affect the mediator (customer satisfaction), (b) the mediator must affect the dependent variable (future complaint intentions), (c) the independent variable must affect the dependent variable when the mediator is removed from the model, and (d) for full mediation to be supported, the direct path from the independent variable must become insignificant when the mediator is inserted back into the model.

As demonstrated by the structural results outlined in Table 3, the hypothesized model provides support for the first two conditions (p < .01). To test for the third condition, a new model was estimated that included a direct path

from service quality to future complaint intentions while constraining the effects of satisfaction to zero. In this model, the path from perceived service quality was significant (p < .01) and negative, thus providing support for the third condition. Finally, to test for full mediation, a final model was estimated that specified relationships between perceived service quality, satisfaction, and future complaint intentions. This process caused the path from perceived service quality to future complaint intentions to become insignificant. Moreover, the indirect effect of service quality on future complaint intentions in the hypothesized model was negative and significant (-0.14, p < .01), thereby providing full support for Hypothesis 6.

A closer examination of the results also provided partial support for Hypothesis 7 as distributive justice (t = 2.71) and interactional justice (t = 2.43) both had positive *total* effects on future complaint intentions, but procedural justice did not. In addition, the model explained 77% of the variance in satisfaction and 7% of the variance in future complaint intentions. Completely standardized path estimates, explained variances, and details on the overall fit of the structural model are listed in Table 3.

Next, the moderating effects specified in Hypotheses 8 and 9 were assessed to gain deeper insight into the justice  $\rightarrow$  future complaint intentions and the satisfaction  $\rightarrow$  future complaint intentions relationships. The moderation effects were assessed using multigroup structural equation modeling (SEM) analyses. To test the moderating effect of

TABLE 3 Structural Model Results

Hypothesized Path	Completely Standardized Coefficients	$R^2$
Distributive justice → satisfaction	.19**	.77
Interactional justice → satisfaction	NS**	
Procedural justice → satisfaction	.22**	
Perceived service quality → satisfaction	.54**	
Distributive justice $\rightarrow$ future complaint intentions	.37**	.07
Interactional justice → future complaint intentions	.24**	
Procedural justice → future complaint intentions	NS**	
Satisfaction $\rightarrow$ future complaint intentions	26**	

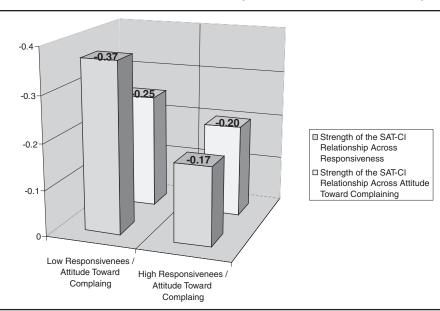
NOTE: Goodness-of-fit statistics:  $\chi^2_{238} = 740.00 \ (p = .0)$ ; comparative fit index = .99; incremental fit index = .99; standardized root mean square residual = .034. NS = nonsignificant path estimate. \*\*p < .01.

consumers' attitude toward complaining, the full sample was divided into two subsamples using a median split of the attitude toward complaining scale. Then, a baseline model was assessed in which equality constraints were imposed on all beta and gamma parameters across the lowand high-attitude groups. Then a second model was estimated that allowed the path of interest to vary freely across groups. The results of both models were then used as inputs into a chi-square difference test, where support for the moderation effect of attitude toward complaining was not found for relationships between future complaint intentions and distributive justice ( $\Delta \chi^2 = 0.28$ ,  $\Delta df = 1$ ), procedural justice ( $\Delta \chi^2 = 0.28$ ,  $\Delta df = 1$ ), interactional justice  $(\Delta \chi^2 = 0.47, \Delta df = 1)$ , or satisfaction  $(\Delta \chi^2 = 0.28, \Delta df = 1)$ . These results failed to support Hypothesis 8.

To test the second moderating effect, the full sample was split into two groups based on consumer perceptions of firm responsiveness. Then, a chi-square difference test was conducted to assess the differences between the lowand high-responsiveness groups. The results provided support for the moderation effect of perceived responsiveness on the satisfaction → future complaint intentions relationship ( $\Delta \chi^2 = 4.11$ ,  $\Delta df = 1$ ). Specifically, the path estimate was -0.37 in the low-responsiveness group and -0.17 in the high-responsiveness group, demonstrating that when firm responsiveness is perceived to be low, satisfaction assessments have a stronger effect on future complaint intentions than when responsiveness is perceived to be high (see Figure 2). However, moderation was not supported for the relationships between distributive justice  $(\Delta \chi^2 = 0.01, \Delta df = 1)$ , procedural justice  $(\Delta \chi^2 = 0.41, \Delta df = 1)$ 1), and interactional justice ( $\Delta \chi^2 = 1.50$ ,  $\Delta df = 1$ ). Collectively, the results provide partial support for Hypothesis 9.

Figure 2 provides a more detailed look at the moderation effects of perceived responsiveness and attitude toward complaining on the satisfaction  $\rightarrow$  future complaint intentions relationship. As Figure 2 demonstrates, when responsiveness is high, the negative effects of satisfaction are reduced from -0.37 to -0.17. This may be viewed as an encouraging result for responsive firms because customer dissatisfaction has a lesser role in determining future com-

FIGURE 2 The Moderating Effects of Responsiveness and Attitude Toward Complaining on the Satisfaction → Future Complaint Intentions Relationship



plaint intentions. However, attitude toward complaining does not influence the satisfaction  $\rightarrow$  future complaint intentions relationship, as the parameter estimate was not statistically different across the groups (-0.25 in the low attitude toward complaining group and -0.20 in the high-attitude group).

#### **DISCUSSION**

A great deal of attention in the literature is devoted to better understanding the conceptual relationships that lead to future behavioral intentions (e.g., Cronin, Brady, and Hult 2000; Fornell et al. 1996), yet few studies examine the relationships that lead to future complaint intentions. The purpose of this research was to take a first step toward narrowing this gap by developing and testing a research model that investigates the effects of service quality, social justice, and customer satisfaction on future complaint intentions. Our findings demonstrate that service provided in a failed encounter influences future complaint intentions. Increased levels of perceived fairness and decreased levels of satisfaction lead to higher complaint intentions. Moreover, we find that these relationships do not depend on consumers' attitude toward complaining, but perceived responsiveness does appear to influence the strength of the relationship between satisfaction and future complaint intentions. The effect of satisfaction on future complaint intentions is stronger for consumers who perceive responsiveness to be low.

More specifically, the results of our analyses supported six of the eight proposed hypotheses. Customer perceptions of justice had a positive direct effect on both satisfaction and future complaint intentions. This finding suggests that researchers should consider the role of justice in investigations at all stages of the service encounter. To date, virtually all investigations that have looked at the role of consumer justice have focused on evaluations based solely on recovery efforts. Our results indicate that the role of justice may be more far-reaching than the service literature would suggest, and researchers should consider the effects of justice and fairness throughout the entire service experience. In addition, the results support a negative relationship between customer satisfaction and future complaint intentions. Upon a closer examination of the results, complex relationships between distributive justice, interactional justice, customer satisfaction, and future complaint intentions emerge. The results demonstrate that interactional and distributive justice have positive direct effects on both satisfaction and future complaint intentions; however, satisfaction has a negative direct effect on future complaint intentions. These findings indicate that although justice may have positive direct effects on complaint intentions, it appears that the negative indirect effects through satisfaction mitigate some of this positive influence. In an effort to clarify these relationships, the total effects of justice on future complaint intentions were assessed, and the results indicate that both interactional and distributive justice have significant positive total effects on complaint intentions, thus suggesting that firms perceived to treat customers fairly during a dissatisfying service encounter reap future benefits. These findings have noteworthy implications for practice and future research that are discussed next.

# **Managerial Implications**

Two particularly interesting findings to managers may involve the effects of distributive and interactional justice on future complaining behavior. The results demonstrate that, as consumers perceive higher levels of justice, intentions to complain in the future increase. This implies the existence of a "double-edged" sword for many service firms. For service leaders, it provides comfort in the fact that employee training programs that stress the need to treat customers fairly and with sincerity are helping the firm, as consumers are more likely to voice complaints to an employee with whom they have had fair interactions. However, for the average service firm that entrusts customer interactions to the underpaid, unmotivated employee, the results reveal that customers are likely to abandon the service rather than complaining when they are not treated fairly or getting what they deserve. This scenario is indicative of the vicious cycle of consumer complaints that was described two decades ago by Fornell and Westbrook (1984). However, with a renewed commitment to employee training and a focus on treating customers fairly in all stages of service encounters, service firms can promote complaint behavior and perhaps increase customer retention.

Results from the moderation effects support the idea that firms may control their own fates when it comes to complaint and service failure management. Despite the importance attributed to attitude toward complaining in the complaining behavior literature, it did not affect the satisfaction  $\rightarrow$  future complaint intentions relationship, whereas perceived firm responsiveness did. Failure to find a significant interaction between attitude toward complaining and customer service evaluations suggests that consumers' personality characteristics and their service evaluations act independently in the formation of future intentions to complain. It is important to note, however, that our analyses do not rule out the potential direct effects of attitude toward complaining (cf. Singh and Wilkes 1996) or other personality characteristics. Future research

should consider the direct effects of personality characteristics (i.e., attitude toward complaining) on complaining behavior. The moderation results also demonstrate that future complaint intentions depend less on the level of dissatisfaction when a firm is perceived to be responsive, as the path between satisfaction and future complaint intentions was much stronger in the low-responsiveness group.

#### **Theoretical Implications**

One of the goals of this study was to examine the conceptual relationships that lead to complaint intentions. We find that many of the same variables that are documented as important predictors of behavioral intentions, such as service quality (Zeithaml, Berry, and Parasuraman 1996) and satisfaction (Fornell et al. 1996), are also important predictors of future complaint intentions. We also find that many of the same variables that help predict satisfaction with recovery, such as interactional justice and distributive justice (Maxham and Netemeyer 2002), are also important predictors of future complaint intentions. These findings underscore the importance of modeling the antecedents to complaint behavior. Future research should consider the effects of other prominent service variables to develop a more holistic view of the relationships that lead to complaints.

Future investigations should also consider the effects of other potential moderating variables. The results presented here do not support the moderational role of attitude toward complaining. Future studies should consider the effects of other possible moderators, such as social activity, product importance, and the value of the complaint, among others. Our results provide a first look at these effects, but future researchers should attempt to expand on these results.

Another goal of this study was to address complaint behavior from a service perspective. Although the complaining behavior and service literatures are aligned in many respects, research that empirically investigates the effects of perceived service in a failed encounter on future complaint intentions is limited. Our findings demonstrate that service variables such as service quality, social justice, and satisfaction help to explain variance in service customers' decisions to complain to a firm. Future research should consider other potential drivers of complaining, such as prior experience, brand equity, and service value, which may be worthy of investigation in a complaining context.

#### LIMITATIONS AND CONCLUSION

Like any research effort, this study has limitations. Although distributive justice, interactional justice, and satisfaction all significantly influence future complaint intentions, they only explain 7% of the variation in future complaint intentions. Clearly, more research is needed to uncover other potential antecedents to complaining behavior in an effort to better understand why consumers complain. A second limitation is that the data were collected in a single metropolitan area, and the findings may therefore not be generalizable to other areas. Finally, although all available controls were employed to maximize the reliability and validity of the results, the survey approach used in this study rules out potential generalizations of true cause and effect.

Successful service firms recognize the importance of a customer complaint. However, service customers are currently complaining about only a fraction of dissatisfying service encounters (Tax and Brown 1998). The result of many of these unreported and dissatisfying service encounters is that customers leave the firm and spread negative word of mouth to up to 20 potential customers (Sampson 2002). Complaints should be viewed as a gift that carries an excellent opportunity to enhance consumer loyalty rather than a hassle to management and employees (Kendall and Russ 1975). The results of this study provide some initial guidance for managers who are attempting to improve the likelihood of receiving complaints.

It appears that as the justice of interactions between a firm's frontline employees and customers increases, the likelihood of consumers voicing a complaint also increases. These results suggest that a firm must focus on treating customers fairly through all stages of the failed service encounter, not just in the recovery process. They also suggest that the first step to service recovery may lie in a firm's employees and in the service received by customers during the failed service encounter. Thus, firms should resist the view that failed service encounters are universally bad and recognize that even dissatisfying experiences may have a sliver lining that can lead to positive outcomes.

# APPENDIX Survey Instrument

With the exception of the items for the Perceived Service Quality and Future Complaint Intentions scales, all items were measured using 7-point Likert-type scales that were anchored by  $1 = strongly \ disagree$  and  $7 = strongly \ agree$ .

#### Distributive Justice

- 1. The outcome I received was fair.
- 2. The outcome I received was right.
- 3. The deal I received was fair.
- The company's efforts resulted in a positive outcome for me.
- 5. The final outcome I received from the company was fair, given the time and hassle.

#### Procedural Justice

- 1. The company responded quickly to my needs.
- The company has fair policies and practices for dealing with customers.
- 3. With respect to policies and procedures, the company handled my encounter fairly.
- 4. The process was fair.
- 5. Overall, the procedures followed by the service firm were fair.

# Interactional Justice

- 1. During their efforts to serve my needs, the company's employees showed a real interest in trying to be fair.
- 2. In dealing with my needs, the company's personnel treated me in a courteous manner.
- 3. The company's employees worked as hard as possible for me during the encounter.
- 4. The company's employees were honest and ethical in dealing with me during the encounter.
- 5. I was treated fairly during my interactions with the service employees.

#### Encounter-Specific Perceived Service Quality

Poor	1	2	3	4	5	6	7	Excellent
Inferior	1	2	3	4	5	6	7	Superior
Low Quality	1	2	3	4	5	6	7	High Quality
One of the Worst	1	2.	3	4	5	6	7	One of the Bes

# Encounter-Specific Customer Satisfaction

- 1. I am satisfied with this service provider.
- 2. I think that I did the right thing when I selected this service provider.
- 3. I am happy with this service provider.

# Future Complaining Intentions

These questions concern how you would react if you have a similar experience in the future. How likely is that

you would (anchored by 1 = not at all likely and 7 = very likely)

- 1. Definitely complain to the manager.
- 2. Go back or call the provider immediately and ask them to take care of your problem.

#### Attitude Toward Complaining

- 1. It feels good to get my dissatisfaction and frustration off my chest by complaining.
- 2. It bothers me if I do not complain about an unsatisfactory purchase.

# Perceived Responsiveness

- 1. When this problem first occurred, I was confident that the service provider would make the problem right.
- 2. I was confident that the company would handle my complaint and resolve my problem.
- When I purchased the service, the service provider had a reputation for "Satisfaction Guaranteed."

#### **REFERENCES**

- Adams, J. Stacy (1963), "Toward an Understanding of Inequity," *Journal of Abnormal and Social Psychology*, 67 (5), 422-36.
- Ajzen, I. and M. Fishbein (1977), "Attitude-Behavior Relations: A Theoretical Analysis and Review of Empirical Research," *Psychological Bulletin*, 84, 888-918.
- Anderson, James C. and David W. Gerbing (1992), "Assumptions and Comparative Strengths of the Two-Step Approach: Comment on Fornell and Yi," Sociological Methods & Research, 20, 321-33.
- Baron, R. M. and D. A. Kenny (1986), "The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations," *Journal of Personality and Social Psychology*, 51 (6), 1173-82.
- Bearden, William O. and Jesse E. Teel (1983), "Selected Determinants of Consumer Satisfaction and Complaint Reports," *Journal of Consumer Research*, 20 (February), 21-8.
- Bentler, Peter M. (1990), "Comparative Fit Indices in Structural Models," Psychological Bulletin, 107 (2), 238-46.
- ———(1995), EQS Structural Equation Program Manual. Encino, CA: Multivariate Software.
- Bies, Robert J. and Joseph S. Moag (1986), "Interactional Justice: Communication Criteria of Justice," in *Research on Negotiation in Organizations*, Vol. 1, R. Lewicki, M. Bazerman, and B. Sheppard, eds. Greenwich, CT: JAI, 57-79.
- Bitner, Mary Jo, Bernard H. Booms, and Mary Stanfield Tetreault (1990), "The Service Encounter: Diagnosing Favorable and Unfavorable Incidents," *Journal of Marketing*, 54 (January), 71-84.
- Blodgett, Jeffrey G. and Ronald A. Anderson (2000), "A Bayesian Network Model of the Consumer Complaint Process," *Journal of Service Research*, 2 (4), 321-88.
- —, Donald H. Granbois, and Rockney G. Walters (1993), "The Effects of Perceived Justice on Complainants' Negative Word-of-Mouth Behavior and Repatronage Intentions," *Journal of Retailing*, 69 (4), 399-428.

- , Donna J. Hill, and Stephen S. Tax (1997), "The Effects of Distributive, Procedural, and Interactional Justice on Postcomplaint Behavior," Journal of Retailing, 73 (Summer), 185-210.
- Bollen, Kenneth A. (1989), "A New Incremental Fit Index for General Structural Equation Models," Sociological Methods & Research, 17,
- Bolton, Ruth N. and Katherine Lemon (1999), "A Dynamic Model of Customer's Usage of Services: Usage as an Antecedent and Consequence of Satisfaction," Journal of Marketing Research, 36 (May),
- Cronin, J. Joseph, Jr., Michael K. Brady, and G. Tomas Hult (2000), "Assessing the Effects of Quality, Value, and Satisfaction on Consumer Behavioral Intentions in Service Environments," Journal of Retailing, 76 (2), 193-218.
- Firnstahl, Timothy W. (1989), "My Employees Are My Service Guarantee," Harvard Business Review, 4 (July/August), 28-34.
- Fornell, Claes, Michael D. Johnson, Eugene W. Anderson, Jaesung Cha, and Barbara Everitt-Bryant (1996), "The American Customer Satisfaction Index: Nature, Purpose, and Findings," Journal of Marketing, 60 (October), 7-18.
- and David F. Larcker (1981), "Evaluating Structural Equation Models with Unobservable Variables and Measurement Error," Journal of Marketing Research, 18 (1), 39-51.
- and Robert A. Westbrook (1984), "The Vicious Circle of Consumer Complaints," Journal of Marketing, 48 (Summer), 68-78.
- Goodwin, Cathy and Ivan Ross (1990), "Consumer Evaluations of Responses to Complaints: What's Fair and Why," Journal of Consumer Marketing, 7 (2), 39-47.
- (1992), "Consumer Responses to Service Failures: Influence of Procedural and Interactional Justice Perceptions," Journal of Business Research, 25, 149-63.
- Gotlieb, Jerry B., Dhruv Grewal, and Stephen W. Brown (1994), "Consumer Satisfaction and Perceived Quality: Complementary or Divergent Constructs?" Journal of Applied Psychology, 79 (6), 875-85.
- Hart, Christopher W. L., James L. Heskett, and W. Earl Sasser Jr. (1990), "The Profitable Art of Service Recovery," Harvard Business Review, 68 (July-August), 148-56.
- Hoffman, K. Douglas and Scott W. Kelley (2000), "Perceived Justice Needs and Recovery Evaluation: A Contingency Approach," European Journal of Marketing, 34 (3/4), 418-32.
- Homans, G. C. (1961), Social Behavior: Its Elementary Forms. New York: Harcourt Brace Jovanovich.
- Hu, L. Li-tze and Peter M. Bentler (1999), "Cutoff Criteria for Fit Indexes in Covariance Structure Analysis: Conventional Criteria versus New Alternative," Structural Equation Modeling, 6 (1), 1-55.
- Kamin, Leon J. (1969), "Predictability, Surprise, Attention, and Conditioning," in Punishment and Adversive Behavior, Byron A. Campbell and Russell M. Church, eds. New York: Appleton-Century-Crofts.
- Kendall, C. L. and Frederick A. Russ (1975), "Warranty and Complaint Policies: An Opportunity for Marketing Management," Journal of Marketing, 39 (1975), 36-43.
- Kim, Chulmin, Sounghie Kim, Subin Im, and Changhoon Shin (2003), "The Effect of Attitude and Perception on Consumer Complaint Intentions," Journal of Consumer Marketing, 20 (4), 352-71.
- Kirmani, Amna and Akshay R. Rao (2000), "No Pain, No Gain: A Critical Review of the Literature on Signaling Unobservable Product Quality," Journal of Marketing, 64 (2), 66-79.
- Marsh, Herbert W., John R. Balla, and Roderick P. McDonald (1988), "Goodness-of-Fit Indexes in Confirmatory Factor Analysis: The Effect of Sample Size," Psychological Bulletin, 103 (3), 391-410.
- Maxham, James G. and Richard G. Netemeyer (2002), "Modeling Customer Perceptions of Complaint Handling over Time: The Effects of Perceived Justice on Satisfaction and Intent," Journal of Retailing, 78, 239-52.
- (2003), "Firms Reap What They Sow: The Effects of and-Shared Values and Perceived Organization Justice on Customers' Evaluations of Complaint Handling," Journal of Marketing, 67 (January), 46-62.

- McCollough, Michael A., Leonard L. Berry, and Manjit S. Yadav (2000), "An Empirical Investigation of Customer Satisfaction after Service Failure and Recovery," Journal of Service Research, 3 (2), 121-37.
- McDonald, R. P. and M. R. Ho (2002), "Principles and Practice in Reporting Structural Equation Analyses," Psychological Methods, 7 (1), 64-82
- Morphy, Erika (2002), "Customer Service Failure Rate to Hit 75 Percent," CRM Daily, August 30.
- Oliver, Richard L. (1981), "Measurement and Evaluation of Satisfaction Processes in Retail Settings," Journal of Retailing, 57, 25-48.
- -(1997), Satisfaction: A Behavioral Perspective on the Consumer. New York: McGraw-Hill.
- Richins, Marsha L. (1983), "Negative Word-of-Mouth by Dissatisfied Consumers: A Pilot Study," Journal of Marketing, 47 (Winter), 68-78.
- (1987), "A Multivariate Analysis of Responses to Dissatisfaction," Journal of the Academy of Marketing Science, 15 (3), 24-31.
- Ruyter, Ko De and Martin Wetzels (2000), "Customer Equity Considerations in Service Recovery: A Cross-Industry Perspective," International Journal of Services Industry Management, 11 (1), 91-108.
- Sampson, Fred G. (2002), "Lost Business from Unattended Complaints Will Give Operators Something to Gripe About," Nation's Restaurant News, July 22.
- Schlesinger, Leonard A. and James L. Heskett (1991), "The Service Driven Service Company," Harvard Business Review, September-October, 71-81.
- Singh, Jagdip (1988), "Consumer Complaint Intentions and Behavior: Definitional and Taxonomical Issues," Journal of Marketing, 52 (January), 93-107.
- and Robert E. Wilkes (1996), "When Consumers Complain: A Path Analysis of the Key Antecedents of Consumer Complaint Response Estimates," Journal of the Academy of Marketing Science, 24
- Smith, Amy K. and Ruth Bolton (1998) "An Experimental Investigation of Service Failure and Recovery: Paradox or Peril?" Journal of Service Research, 1 (1), 65-81.
- -, and Janet Wagner (1999), "A Model of Customer Satisfaction with Service Encounters Involving Failure and Recovery," Journal of Marketing Research, 36 (August), 356-72.
- Spreng, Richard A., Gilbert D. Harrell, and Robert D. Mackov (1995), "Service Recovery: Impact on Satisfaction and Intentions," Journal of Services Marketing, 9 (1), 15-23.
- Tax, Stephen S. and Stephen Brown (1998), "Recovering and Learning from Service Failure," Sloan Management Review, Fall, 75-88.
- -, and Murali Chandrashekaran (1998), "Customer Evaluations of Experiences: Implications for Relationship Marketing,' Journal of Marketing, 62 (April), 60-76.
- van Osselaer, Stijn M. J. and Joseph W. Alba (2000), "Consumer Learning and Brand Equity," Journal of Consumer Research, 29, 539-50.
- Zeithaml, Valarie A., Leonard L. Berry, and A. Parasuraman (1996), "The Behavioral Consequences of Service Quality," Journal of Marketing, 60 (April), 31-46.
- Clay M. Voorhees is a marketing doctoral candidate at Florida State University. His research interests are in the areas of service decision making, consumer complaining behavior, customer equity, and the development and application of innovative research methods to service decision-making models. His research has been published in the Journal of Service Research, Journal of Services Marketing, and in the proceedings of a number of national conferences.
- Michael ("Mike") K. Brady is an associate professor of marketing and director of the doctoral program at Florida State University. His research interests are in the areas of managing the service decision-making process, managing service failure, and

in the strategic ramifications of branding for service firms. His research has been published in the *Journal of Marketing, Journal of Service Research, Journal of Retailing, Psychology & Marketing, Journal of Business Research, Journal of Services Marketing, International Journal of Service Industry Management, and in other outlets.* He has won both the M. Wayne Delozier Award for Best Conference Paper at the Academy of Marketing Science

Conference and the Steven J. Shaw Award for Best Conference Paper at the Society for Marketing Advances Conference. He serves on the Editorial Review Boards of the *Journal of Service Research*, *Journal of Retailing*, and *Journal of the Academy of Marketing Science* and was named an Outstanding Reviewer by the *Journal of Retailing* in 2004.