

**A TYPOLOGY OF COMPLAINT BEHAVIOR RESPONSE  
STYLES AMONG CHANNEL MEMBERS**

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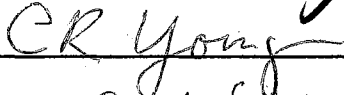
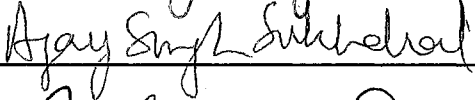

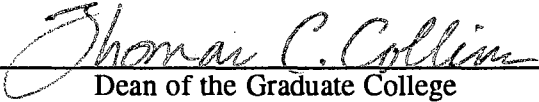
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## CHAPTER I

### INTRODUCTION

This paper brings together a comprehensive understanding of complaint behavior from a consumer perspective and extends it to an organizational perspective. A specific construct equivalent to complaint behavior in the organizational marketing literature has only been briefly mentioned (Williams and Gray, 1978; Trawick and Swan, 1979; 1981; 1982; Williams and Rao, 1981; and Barksdale, Powell, and Hargrove, 1984). Therefore, a typology of organizational complaint behavior will be created and tested for its validity. Key variables considered useful in predicting consumer and organizational complaint behavior are reviewed. Specific studies investigating complaint behavior in consumers and in channel members are investigated. Finally, various models developed to conceptualize consumer complaint behavior are reviewed. Insights obtained from consumer complaint models are used to conceptualize a model of organizational complaint behavior.

#### Satisfaction

The study of satisfaction and dissatisfaction (S/D) is important both in the consumer and in the organizational marketing literature. From a consumer marketing perspective, much of the research centers on the interaction between a consumer's expectations of a product's performance and the actual product performance. The discrepancy between a consumer's prior expectations for product performance and the actual product performance has become known as the (S/D) construct.

From an organizational marketing perspective, much of the research focuses on the constructs of power, control, and performance, and a firm's satisfaction is viewed as a function of

these aforementioned constructs. The study of (S/D) from both perspectives has tremendous implications. From an organizational perspective, satisfying channel members is extremely important to avoid the dysfunctional effects of channel conflict. From a consumer perspective, satisfied customers are essential for the long-term survival of a corporation and reflect the situation in which the benefits sought from a product or a service has been provided.

### Complaint Behavior

The study of the satisfaction/dissatisfaction (S/D) literature has led to the examination of responses by consumers and channel members to specific dissatisfying experiences (Warland, Herrmann and Willits, 1975; Brown, 1979; Singh, 1990). The consumer literature has labeled this area of study "complaint behavior," while the organizational literature has generally identified this area as "conflict" and/or "conflict management" (Pondy, 1967; Stern, 1971). Definitions of consumer complaint behavior are numerous (Day, 1980; Landon, 1980; Jacoby and Jaccard, 1981) but not without problems. The problems with defining consumer complaint behavior typically are dimensional in nature and will be discussed in Chapter II. Even though these problems do exist, one useful definition states that complaint behavior is an "action taken by an individual which involves communicating something negative regarding a product or service to either the firm manufacturing or marketing the product or service, or to some third-party organization entity" (Jacoby and Jaccard, 1981, p. 6).

The construct of organizational complaint behavior has only been briefly mentioned and has not been defined. The most closely related concepts are found in the channel conflict literature and/or the conflict management literature. Conflict and/or conflict management implies dyadic relationships so multi-dimensional that none of the initial conflict conditions will be left unaltered (Cadotte and Stern, 1979). These dyadic relationships include exchange between a focal organization and a target organization where varying degrees of goal, domain, and perceptual incompatibility may exist. Complaint behavior does not have to include dyadic relationships, but in many cases dyadic associations are present. Models depicting post - S/D

processes have been introduced in the consumer literature, but only superficially introduced in the organizational literature (Williams and Rao, 1980; Trawick and Swan, 1981).

This paper will bring together a comprehensive understanding of the construct of "complaint behavior" from a consumer perspective and apply it to an organizational perspective. The domain of consumer complaint behavior will be identified, as will its definition. From an organizational marketing perspective, complaint behavior has been approached only rudimentarily and seems to be an antecedent to conflict. This paper will discuss conflict and conflict management constructs, emphasizing conflict issues as they relate to conceptual models of complaint behavior. In addition specific management mechanisms will be addressed. This study will establish the need to add the complaint behavior construct to the organizational marketing literature, and will provide a definition of the construct.

#### Distinct Responses to Dissatisfaction

Second, distinct response styles of consumers and channel members to various dissatisfying experiences will be discussed. The study of distinct response styles among consumers has been an ongoing process in the consumer marketing literature (Warland, Herrmann, and Willits, 1975; Shuptrine and Wenglorz, 1980). Various typologies conceptualize the construct of complaint behavior. Investigations of the internal and external validity of the proposed typologies are addressed (Singh, 1990). The study of very general responses by channel members in specific industries as they relate to conflict has also been investigated (Brown, 1979). However, to this point no attempt has been made to conceptualize a typology of complaint response styles in the organizational literature. This paper will put forth a typology of organizational complaint behavior and examine the validity of the proposed typology.

## Determinants of Complaint Behavior

Third, this paper will identify key variables that are helpful in predicting consumer and organizational complaint behavior. From a consumer perspective, antecedents of complaint behavior can be identified in two dimensions: individual and situational. This study will organize the antecedents of organizational complaint behavior using these same dimensions. This paper will identify specific types of situations that lead to complaint behavior in consumers and in channel members. Identification of these situations is necessary to test the reliability of the proposed typology of organizational complaint behavior.

## Complaint Behavior Models

Finally, this paper will identify various models developed to conceptualize consumer "complaint behavior". In the same manner, models developed in the organizational literature to conceptualize channel conflict and/or complaint behavior will be identified. Points of similarity and points of contrasts between conflict models and complaint behavior models will be discussed.

## Problem Statement

This author will link consumer complaint behavior models with the organizational conflict models, forming a conceptualization of an organizational complaint behavior model. Justification for this linkage will be made by using the underlying logic of Fern and Brown (1984). In their article entitled "The Organizational/Consumer Marketing Dichotomy: A Case of Insufficient Justification," the writers argue that there is no justification for differentiating completely between the organizational and the consumer market. These authors argue that by dichotomizing marketing in this fashion, the collection and dissemination of knowledge as it applies to effective marketing strategy suffers.

Accepting this perspective, complaint behavior will be defined from an organizational marketing perspective. The consumer literature dealing with complaint behavior will provide a

guide to this endeavor. In understanding the response styles from a consumer perspective, the typical questions that have been asked are:

- (1) What types of distinct response styles are used to communicate dissatisfaction?;
- (2) Do different consumers use different response styles when dissatisfied?;
- (3) Is it possible to identify the characteristics that predict these various response styles?

These questions have not been addressed in the organizational marketing literature and will be addressed to produce a valid construct of organizational complaint behavior.

The relevant literature as it applies to complaint behavior is reviewed in Chapter II. The research design for this study is then discussed in Chapter III. Chapter IV reports the analysis of the study. Chapter V provides an interpretation of the analysis. Finally, Chapter VI details conclusions, limitations, and implications of this research.



## CHAPTER II

### REVIEW OF THE CONSUMER LITERATURE

#### Satisfaction from The Consumer Perspective

To understand the processes and events that lead to complaint behavior, it is necessary to review the construct of satisfaction/dissatisfaction (S/D). Although, a thorough discussion of S/D is not appropriate in this paper, a short dialogue is necessary for the understanding of complaint behavior. The consumer literature that pertains to S/D is extensive and not without theoretical diversity. The satisfaction literature typically focuses on the interaction between a consumer's prior expectations for product performance and the actual product performance (Oliver, 1981; Day, 1984). In addition to this conceptualization of satisfaction, other theoretical perspectives have been put forth to define and explain the construct. At least four theoretical perspectives attempt to clarify S/D (Anderson, 1973; Oliver and DeSarbo, 1988). These perspectives include the following: expectancy disconfirmation paradigm (including assimilation theory and contrast variations); equity theory; attribution theory; and performance theory. Equity, attribution, and performance theories are all different perspectives or extensions to the conceptualization of consumer satisfaction.

#### Expectancy Disconfirmation Paradigm

Expectancy Disconfirmation Paradigm is the most popular theoretical perspective used to define satisfaction. The paradigm states that satisfaction results from an interaction between a consumer's prior expectations for product performance and his/her perception of the actual product performance. However, to arrive at the S/D construct using this model, the literature acknowledges the possibility of moderating variables in confirmation/disconfirmation. Usually

three interactions involving confirmation/disconfirmation are conceptualized. First, if perceived performance falls below expectations a *negative disconfirmation* results. Second, if perceived performance exceeds expectations, then a positive disconfirmation results. A *positive/negative disconfirmation* is thought to lead to consumer S/D, respectively (Oliver, 1980; Woodruff, Cadotte, and Jenkins, 1983; Tse and Wilton, 1988). Third, *expectancy confirmation* occurs when no discrepancy between the actual and expected performance of the product occurs. In the situation where there is no discrepancy between the actual and expected performance of the product, "the consumer may simply not consciously consider his or her level of satisfaction with the product" (Mowen, 1990, p. 347). Several theoretical variations of this basic expectancy disconfirmation paradigm exist (ie. assimilation theory; contrast effect theory). These theoretical variations do not redefine satisfaction, but make different assumptions about the consumer and how he/she responds to the discrepancy between actual and expected performances of the product (Oliver, 1981; Oliver and DeSarbo, 1988).

#### Assimilation Theory

One variation is assimilation theory, which states that individuals tend to be reluctant to admit differences between their initial judgments toward a product and the actual performance of the product. Consumers are thought to be somewhat forgiving towards a negative disconfirmation. They are seen as adjusting their initial position towards the product and are perceived as being more temperate toward a dissatisfaction, especially if the difference falls within their so called latitude of acceptance (Woodruff, Cadotte, and Jenkins, 1983; Oliver and DeSarbo, 1988). If perceived performance is inside this area or zone of acceptance, then a person views that performance as equal to his/her expectations, most likely resulting in a positive disconfirmation, rather than a negative disconfirmation. Using assimilation theory satisfaction is not defined differently than in the expectancy disconfirmation model, but consumers are characterized as being less likely to arrive at a dissatisfying experience.

### Contrast Effect Theory

A second theoretical variation to the expectancy disconfirmation paradigm is the contrast effect theory that states that an individual will distort and overstate the difference between his/her initial judgments toward a product and the actual performance of the product. In contrast theory consumers are characterized as being more likely to arrive at a dissatisfying experience. In this case, a person has a predisposition to overstate the difference between performance and his/her expectations resulting in a negative disconfirmation. As with assimilation theory, contrast theory does not change the definition of satisfaction, but projects a different perspective concerning the consumer than does EDP. Two categories of consumers are described by Oliver and DeSarbo (1988). For instance, one consumer is described as being "expectations influenced", while the other type of consumer is described as being "disconfirmation influenced". If a person is expectation influenced, he/she is most likely to respond similarly or close to their initial expectations thus arriving at a positive disconfirmation. If a person is disconfirmation influenced, he/she is most likely to respond very differently from their initial expectations, thus arriving at a negative disconfirmation. In either variation, satisfaction is still defined as the interaction between a consumer's prior expectations for product performance and the actual product performance.

### Equity Theory

In moving away from the expectancy disconfirmation paradigm, the equity theory is based on the idea that individuals should be treated with fairness and equality in a transaction. This view brings into play feelings and attitudes about what is considered to be right and honest. Equity theory states that an individual will determine satisfaction by analyzing the ratio of his/her outcomes and inputs in an exchange to the ratio of the outcomes and inputs of the other person involved in the transaction. If the two ratios are thought to be equivalent, then satisfaction results. If the ratios are thought to be disproportional, then the party who receives a less equitable

arrangement will be dissatisfied, whereas the party receiving a more equitable exchange will have increased satisfaction. Mowen and Grove (1983) use equity theory to investigate the effect of price and search variables on satisfaction in a retail exchange. Results show that dissatisfaction occurs in subjects when they pay more for a particular product than does some other individual. Difference of dealers made no difference in their determination of dissatisfaction. In addition, "effects of variations in search behavior influenced satisfaction only when the target person and the comparison other bought from the same dealer" (Mowen and Grove, 1983, p. 12).

### Attribution Theory

A third perspective looks at S/D as a function of causality inferences. This theory states that an individual is a rational processor of information, and in each transaction the individual makes determinations of causality concerning its results. Typically, causality inferences are made over three dimensions; (1) locus of causality; (2) stability; and (3) controllability (Weiner, 1980, Folkes, 1984; Oliver and DeSarbo, 1988). The locus of causality dimension refers to location of factors that are responsible for the dissatisfaction. Are these factors located intrinsic to the consumer, or do these factors have an external source? (internal versus external)? The stability dimension refers to the volatility of product or service provided. Typically one would ask whether the causes of the dissatisfaction are relatively volatile or relatively enduring? Controllability refers to factors that cause the dissatisfaction. Are they under the control of the consumer or are they constrained to some third party? Folkes (1984) found that locus of causality and controllability dimensions highly influenced whether individuals felt anger and revenge over a product dissatisfaction. Locus of causality was most influential in the construct of S/D, especially when the dissatisfaction was manufacturer and store-related; it accounted for 74% of the variance in a consumer's feelings of anger, 86% of the variance in a consumer's desire for a refund, and 89% of the variance in a consumer's desire for an apology. Based on these results, attribution theory does seem to play an important part in the variance of the construct of S/D, with locus of causality suggested as the most important dimension.

### Performance Theory

A final perspective reviewed is performance theory as it relates to S/D. This theory states that levels of performance of the product will affect satisfaction, with perceived performance considered to be a direct and strong determinant of S/D, in and by itself. In other words, when the effect of attribution, equity ratios, and the difference between expectations and actual performance are eliminated, perceived performance of the product is a powerful predictor of satisfaction (Tse and Wilton, 1988). These authors found that perceived performance explained 65% of the variance in satisfaction. In addition, perceived performance was found to have a significant indirect effect on disconfirmation, which has been shown to affect satisfaction. Tse and Wilton (1988) conclude that perceived performance affects satisfaction both directly and indirectly through the confirmation/disconfirmation construct. This study indicates the need to expand theoretical explanations of satisfaction to include perceived performance factors. Performance theory would state that if a person fully expects a product to perform poorly, then dissatisfaction will result when the product actually performs poorly, even though individual expectations already have a negative bias.

### Selecting a Definition of Satisfaction

Each model defines satisfaction differently. Therefore, when one considers a definition of satisfaction, one must decide which particular theoretical model to use to drive their conceptualization. For instance, using the expectancy disconfirmation paradigm, Day (1977) defines satisfaction as an evaluative reaction based on a comparison between the perceived performance of the product and the level of expectations for the product with which the consumer entered the consumption process. Oliver (1980) concurs with this definition, viewing satisfaction as a function of expectations and expectancy disconfirmation (ie.  $\text{satisfaction} = f[\text{expectations, disconfirmation}]$ ). However, Oliver (1981) subsequently admits that most authors generally agree

that satisfaction results from this aforementioned subjective comparison, but the exact nature of satisfaction is unknown and more complicated than previously stated.

To improve on this definition, Oliver (1981) postulates that a comprehensive measure of satisfaction is really a function of an individual's expectations, disconfirmations, satisfactions, and attitudes over a series of stages (store purchase, product consumption, redress activities). This definition of satisfaction becomes a process oriented definition and involves a systematic approach to its measurement considering a longitudinal determination of satisfaction. To practically measure satisfaction Oliver (1981) views its formation as a step by step building process. For example, the initial attitude of the consumer will affect his/her expectations in a store purchase. Satisfaction then becomes a function of expectations and disconfirmation derived from his/her experience in the store purchase. The consumer's satisfaction from the store purchase then becomes an antecedent to the formation of a new attitude. This new attitude then affects expectations of the consumer for the product consumption experience. A second satisfaction measure is taken. It is again a function of expectations and disconfirmations as it pertains to the product consumption experience. The same process would then follow for redress activities. Oliver (1981) believes that a systematic approach to measuring satisfaction is necessary. His approach would involve measures of expectation, disconfirmation, satisfaction and attitude at different times in the consumer's overall consumption experience.

Mowen and Grove (1983) present satisfaction as a function of the ratio of outcomes and inputs between person A and person B ( $OA/IA = OB/IB$ ) (p. 3). Others state that satisfaction is a function of causality inferences (Richins, 1983; Folkes, 1984). If the locus of causality is determined to be external then dissatisfaction is likely to result. Most recent perspectives state that perceived performance of the product plays a big role in the determination of S/D (Tse and Wilton, 1988).

This study will use expectancy disconfirmation paradigm (EDP) in defining satisfaction. This paradigm has been shown to be robust when compared side by side with other theoretical

perspectives (Tse and Wilton, 1988). One can also incorporate attribution theory with the (EDP) refining a definition of satisfaction without changing the basic orientation of EDP. Finally the performance theory will fit nicely into the EDP, recognizing perceived performance as an individual, or personality characteristic. Therefore, consumer satisfaction will be defined herein as the discrepancy between a consumer's prior expectations for product performance and the actual product performance, taking into consideration attribution of blame, and the consumer's perceived performance of the product before the consumption experience.

### The Construct of Consumer Complaint Behavior

The study of satisfaction/dissatisfaction (S/D) has led to the examination of responses by consumers to specific dissatisfying experiences. The study of consumer responses to dissatisfying experiences is labeled "complaint behavior." S/D is an antecedent to the construct of complaint behavior. By understanding the S/D construct comprehension of complaint behavior is clarified. The first step in promoting the importance of the domain of a construct is the process of defining that construct (Churchill, 1979). This section will pursue the domain and definition of complaint behavior from a consumer perspective.

Landon (1977) is one of the first to attempt to address the domain of complaint behavior viewing it as a function of four major variables. Landon states that complaint behavior consists of consumer dissatisfaction, the importance associated with that level of dissatisfaction, the expected benefit from complaining, and the personality of the individual who might complain. In describing some of the major variables that predict complaint behavior, Landon stopped short of offering his own definition of the construct. However, he agreed that the construct of complaint behavior did have more than one dimension, and that the presence of dissatisfaction was not a consistent predictor of complaint behavior.

Lawther, Krishnan, and Valle (1978) also recognize that dissatisfaction is necessary for complaint behavior to take place but not a good indicator of who might complain and/or who might not complain. Day (1980) is one of the first to offer a conceptualization of the domain of

complaint behavior. In addition, Day classifies complaint behavior into two forms: behavioral and nonbehavioral responses. He states that when consumers do make a behavioral response to dissatisfaction it typically comes in the form of complaining; redress seeking; and/or personal boycott. Nonbehavioral responses to dissatisfaction take the form of attitude formulation like the following: "I don't think it is worth the time and effort; I wanted to do something about it but never got around to it; I didn't think anything I could do would make any difference; and/or I didn't know what I could do about it, or where I could get help" (p. 212). Day (1980) describes people that respond in the above fashion to be "rational decision maker's; procrastinator's; defeatist's; and uninformed consumer's" respectively. With this rudiment, Day (1980) formulates complaint behavior to consist of three dimensions that includes: (1) no action; (2) private action; and or (3) public action.

Landon (1980) disagrees with Day's conceptualization of complaint behavior by stating that in order to qualify as a complaint, "the expression must be made to a responsible party. Casual expression of dissatisfaction to one's friend may be important for the marketer to study, but does not qualify as a consumer complaint" (p. 337). At this point the literature is in disagreement over how many and what dimensions make up the construct of complaint behavior.

Jacoby and Jaccard (1981) go on to look at complaint behavior from a psychological analysis where they offer one of the first definitions of the construct. Consumer complaint behavior as they define it is "an action taken by an individual that involves communicating something negative regarding a product or service to either the firm manufacturing or marketing that product or service, or to some third-party organizational entity" (p. 6). These authors agree that not all complaints are complaints demanding redress, but when redress is requested it took a basic and/or an involved form. A basic redress was usually limited to a refund, but an involved redress could involve a lawsuit. However, these authors' conceptualizations of complaint behavior do not help in solving the dimensionality problems of complaint behavior. Basically,



Basically, Jacoby and Jaccard (1981) add more fuel to the controversy by proposing complaint behavior to consist of informal and formal negative responses.

Bearden and Mason (1984) reiterate Oliver's (1980) definition of complaint behavior as "stemming from dissatisfaction that is caused by the negative disconfirmation of purchase expectations" (p. 490). In addition, Bearden and Mason (1984) look at complaint behavior as having three dimensions: redress seeking; complaining; and personal boycott. Bearden and Teel (1983) also acknowledge three dimensions of complaint behavior that include: (1) no action; (2) private action; and (3) public action. Finally, Singh (1988) imagines complaint behavior to consist of three dimensions that include: (1) voice responses; (2) private responses; and (3) third party responses. Singh (1988) defines voice responses to be no-action, and/or seeking redress from a seller. Private responses are negative word-of-mouth communication. Finally, third party responses are behavior such as taking legal action.

In defining the construct of complaint behavior there does seem to be considerable conformity. Jacoby and Jaccard's (1981) denotation of complaint behavior is widely accepted. However, controversy remains as to how many dimensions formulate the construct of complaint behavior. According to Landon (1980) only behavioral responses to dissatisfaction make up complaint behavior. Many authors like Best and Andreasen (1977), Day and Ash (1979), Day, et al. (1981), and Richins (1983) believe this perspective to be too restrictive (Singh, 1988, p. 94). Day's (1980) idea of complaint behavior using behavioral and nonbehavioral distinctions seems to be the most widely accepted.

Based on this discourse, this author will adopt Jacoby and Jaccard's (1981) definition of complaint behavior with the addition of Day's nonbehavioral dimension. Therefore, complaint behavior is defined in this text as "an action taken by an individual that involves communicating something negative regarding a product or service to either the firm manufacturing or marketing that product or service, or to some third-party organizational entity, including any action that leads to a so-called no action". Adding this last qualification means that any attitude taking the

response forms of rational decision makers, procrastinators, defeatists, and/or uninformed consumers described by Day (1980) be examined. Complaint behavior using this above definition is perceived as having three dimensions: (1) no action, (2) private action, and (3) public action.

### Consumer Responses to Dissatisfaction

With a definition of complaint behavior agreed upon, this section will review the suggested taxonomical nature of this construct from the consumer literature. The major conceptual and empirical studies in the consumer complaint literature will provide us with an understanding of this taxonomical perspective.

#### Response Categories

Eleven of the fourteen studies reviewed in this section suggest complaint behavior to be a three dimensional construct consisting of behavioral and nonbehavioral responses to dissatisfying experiences with a product or service. Table 2-1 illustrates that most of the consumer literature has classified complaint behavior into three dimensions. The following are various labelings used to designate those dimensions:

Dimension (1) - Not Upset, Take No Action, Remedial Action, Non-Complaining, Neither, No Problem, or Voiced Response;

Dimension (2) - Private Action, Upset No Action, Complaining, Word of Mouth; and

Dimension (3) - Upset Action, Redress Seeking, Complained, Third Party Action or Public Action.

Within this listing clearly there are some variations in the taxonomy of this construct.

TABLE 2-1

## DISTINCT RESPONSES TO DISSATISFACTION

---

 Categories of Responses:
 

---

Study:Group 1

- |                            |                   |  |                  |
|----------------------------|-------------------|--|------------------|
| 1. Day (1977)              |                   |  |                  |
| a. Take No Action          | b. Private Action |  | c. Public Action |
| 2. Day and Landon (1977)   |                   |  |                  |
| a. Take No Action          | b. Private Action |  | c. Public Action |
| 3. Bearden and Teel (1980) |                   |  |                  |
| a. Take No Action          | b. Private Action |  | c. Public Action |
| 4. Bearden and Teel (1983) |                   |  |                  |
| a. Take No Action          | b. Private Action |  | c. Public Action |
- 

Group 2

- |  |                    |  |                  |
|--|--------------------|--|------------------|
| 5. Warland, Herrmann, and Willits (1975) |                    |  |                  |
| a. Not Upset                             | b. Upset No-Action |  | c. Upset Action  |
| 6. Bearden and Mason (1984)              |                    |  |                  |
| a. No Problem                            | b. Private Action  |  | c. Public Action |
| 7. Day, Shaetzle, and Staubach (1981)    |                    |  |                  |
| a. Non-Complaining                       | b. Private Action  |  | c. Public Action |
- 

Group 3

- |                    |                |  |  |
|--------------------|----------------|--|--|
| 8. Day (1984)      |                |  |  |
| a. Non-Complaining | b. Complaining |  |  |
- 

Group 4

- |  |                   |  |                    |
|--|-------------------|--|--------------------|
| 9. Krishnan, and Valle (1978)                |                   |  |                    |
| a. Remedial Action                           | b. Private Action |  | c. Public Action   |
| 10. Richins (1983)                           |                   |  |                    |
| a. Reduced Brand Loyalty                     | b. Word of Mouth  |  | c. Complained      |
| 11. Day (1980)                               |                   |  |                    |
| *Offered taxonomy when Consumer took action. |                   |  |                    |
| a. Personal boycott                          | b. Complaining    |  | c. Redress Seeking |

TABLE 2-1 (Continued)

---

 Categories of Responses:
 

---

- |                               |                        |                       |                          |
|-------------------------------|------------------------|-----------------------|--------------------------|
| 12. Bearden and Oliver (1985) | a. Take Private Action | b. Take Public Action |                          |
| 13. Jagdip Singh (1988)       | a. Voiced Response     | b. Private Responses  | c. Third Party Responses |
- 

Group 5

14. Lawther, Krishnan, and Valle (1978)  
 \*Views Complaint Behavior as a Hierarchical Sequence of Steps.

---

\*Dotted line divides categories of responses into groups. Groups are divided by most like responses in the first category. Group 1-Take no Action; Group 2-Not upset, non-complaining, no problem; Group 3-two dimensional taxonomy, not upset; Group 4-1st dimension, took some form of private action; Group 5-Distinct conceptualizations.

Warland, Herrmann, and Willits (1975) developed a profile of complaint behavior from interviewing 1215 adults on the phone. Each adult was asked to recall his/her most recent dissatisfying experience and to report his/her behavior. From their questions the authors compiled a list of 12 types of actions taken by these adults to achieve satisfaction. Three dimensions of complaint behavior were conceptualized based on this data: (1) Not Upset, (2) Upset-No Action, and (3) Upset Action. These authors found that the most frequent complaint action taken was to complain personally to someone in the marketplace, either a store manager, a salesman, a clerk, or a company president. The second most frequent complaint activity was no action. People that expressed being upset but took no actions were placed in an Upset-No Action category.

Day and Landon's (1977) conceptualization does not differ from Warland, Herrmann and Willits' (1975) idea of complaint behavior. Their three dimensions of complaint behavior seem to be labeled identically. However, Day and Landon (1977) do view complaint behavior as a taxonomical hierarchy. They state that after a dissatisfaction occurs, the first level of the hierarchy deals with a determination by the consumer to decide whether to take action. The consumer who decides to take action, then decides whether to take private or public action. This decision is conceptualized as the second level of their taxonomy. The next decision would be a decision on what type of private or public action, thus a third level of their taxonomy. Basically, this study looks at complaint behavior as a series of hierarchical stages that a consumer might go through when responding to a dissatisfying experience. Day (1977) used the same labeling and conceptualization as does Day and Landon (1977). Day (1977) does state that complaint behavior consists of behavioral dimensions, but also points out that it is necessary to recognize consumers who have "no conscious feelings of either being satisfied or dissatisfied when they complete a consumption experience" (p. 154). This is the first indication by some authors about the necessity of characterizing complaint behavior as having behavioral and nonbehavioral dimensions.

Lawther, Krishnan, and Valle (1978) report on a study done by Krishnan and Valle (1978) that was not reviewed by this author. In this study complaint behavior was looked at as a multi-dimensional construct that consisted of (1) remedial action seeking; (2) private action; and (3) public action. The only difference in the Krishnan and Valle (1978) conceptualization and the others offered by Day and company is the naming of the first category of complaint behavior. Krishnan and Valle (1978) describe remedial action seeking as being action such as (1) complaining to the family, (2) complaining to the person who sold me the product or service, (3) complaining to a public agency or my congressman, and (4) consulting or hiring a lawyer to protect my interests. It would seem that this conceptualization of remedial action seeking does have problems. All the above types of complaints that make up remedial action seeking could

easily fit into one of the previously listed dimensions of complaint behavior, namely public or private action.

### Hierarchies of Responses

Lawther, Krishnan and Valle (1978) conceptualize complaint behavior as a series of steps in a sequential process of complaining, following a pattern from low to high levels of action. Table 2-2 lists those sequential steps taken by a consumer in responding to a dissatisfying experience.

TABLE 2-2

#### HIERARCHY OF CONSUMER COMPLAINT BEHAVIOR

- 
1. Decided not to buy that product or service or deal with that company again.
  2. Complained to the person who sold me the product or service.
  3. Complained to the company or store.
  4. Complained to family or friends.
  5. Asked for replacement or refund.
  6. Stopped payment or refused to pay.
  7. Considered taking legal action.
  8. Complained to a consumer agency.
  9. Complained to a public agency or my congressman.
  10. Consulted or hired a lawyer to protect my interests.
  11. Complained in a letter to a newspaper or magazine.
- 

Source: Lawther, K., Krishna, S. and Valle, V., (1978), "The Consumer Complaint Process: Directions for Theoretical Development" in *New Dimensions of Consumer Satisfaction and Complaining Behavior*, Ralph L. Day and H. Keith Hunt eds., Chicago, Ill: Bureau of Business Research 10-15.

These authors, using responses from 1812 elderly subjects to arrive at the above sequence, reported a coefficient of reproducibility of .8433. This study is the first detailed effort to identify complaint behavior in a hierarchical sequence form. It is important because it allows marketers an opportunity to handle complaints at lower stages, before higher level actions are taken or even considered on the part of the consumer (Lawther, Krishnan, and Valle, 1978).

Building upon this work, Day (1980) proposes to refine previous classification schemes by Day and Landon (1977), and Day (1976). He states that the literature has identified three overall categories of responses to an experience with a product or service that include: (1) satisfaction; (2) indifference; and (3) dissatisfaction. Indifference is assumed to be the absence of an evaluative response. This idea is likened to the idea put forth by Mowen (1990), where "the consumer is perceived as not consciously considering his or her level of satisfaction with the product" (p. 347). Day (1980) says that "a lack of evaluative response is assumed to result in the absence of any form of behavioral or nonbehavioral responses" (p. 211). Day's (1980) purpose is to refine the classification schema to dissatisfaction. He makes clear that in some cases consumers take no action to a dissatisfying experience. However, when they do take action, they are seen as engaging in the following behavior: (1) redress seeking; (2) complaining; and (3) personal boycott. Each of the above are examples of behavioral and nonbehavioral responses to dissatisfaction.

Jacoby and Jaccard (1981) agree with Day (1980) by stating that the overall responses to an experience are satisfaction, indifference, and dissatisfaction. In addition, they agree to the possibility of complaint behavior occurring in consumers who are basically satisfied. Day (1980) calls this type of behavior "complimenting behavior" (p. 211).

Day, Shaetzle, Grabicke, and Staubach (1981) mainly talk of customer reactions to dissatisfaction. They conceptualize that consumers exhibit three basic reactions that include: (1) noncomplaining; (2) private; and (3) public action. These authors do not deviate in their view of complaint behavior, and support Day (1980) and Jacoby and Jaccard (1981) by recognizing

that a large number of complaints are not legitimate and come from what they describe as chronic complainers or professional complainers.

Richins (1983) makes a novel contribution to the conceptualization of complaint behavior by describing one possible response of complaint behavior as being reduced brand loyalty. She notes that in many cases consumers who are not satisfied with a product are likely to display their dissatisfaction in reducing their brand loyalty to the product or service. In addition, Richins states that complaining to attempt to remedy the dissatisfaction is a second response that can be called complaint behavior. Finally, it is thought that word-of-mouth complaints can also be considered complaint behavior. The last two categories are not unlike earlier classifications that can be called private and public actions to dissatisfactions.

Bearden and Teel (1983) conceptualize the complaint behavior construct using the traditional taxonomy of no action, private action, and public action. Bearden and Mason (1984) looked at complaint behavior as no problem, public action, and non public action. Day (1984) looked at complaint behavior as a complaining or noncomplaining construct. Day (1984) however does include the construct of attitude toward complaining as a moderating variable to complaint behavior.

Finally, Singh (1988) conceptualizes complaint behavior as having three dimensions consisting of (1) voiced responses, (2) private responses, and (3) third party responses. Based on a confirmatory factor analysis, voiced responses consist of these items (1) forget the incident and do nothing, (2) definitely complain to the store manager on your next trip, (3) go back or call the repair shop immediately and ask them to take care of your problem. The voiced response dimension does seem to have some face validity problems. Singh (1988) justifies this conceptualization produced by factor analysis by stating that these three items represent feelings of a consumer toward the seller about a dissatisfying experience. It would seem more reasonable that one might just as well use the traditional classification scheme consisting of no action or private action in place of the voiced dimension. It could also be argued that this dimension is



very similar to Krishnan and Valle's (1978) dimension of remedial action seeking. The private reaction dimension in this article is no different from any earlier study. Finally, the third party action dimension suggested by Singh seems to be no different from what previous studies' called the public action dimension. Singh (1988) states that this dimension consists of suggestions for complaining to newspapers, consumer agencies, and taking legal action, etc.

### Summary of Responses

Before deciding upon the dimensionality of complaint behavior a number of important points need to be reviewed. First, the consumer literature suggests that complaint behavior consists of a taxonomical hierarchy (Day and Landon, 1977, Lawther, Krishnan, and Valle, 1978), but very little research has been done to understand the exact nature of this hierarchy. Lawther, Krishnan, and Valle (1978) view complaint behavior as steps starting at a low level action possibly ending in a high level action. Getting from a low level complaint reaction to a high level complaint reaction depends upon the consumer satisfaction derived from their previous complaint action. Day and Landon (1977) look at complaint behavior as a taxonomical hierarchy consisting of levels. At each level a question is asked. The response to that question dictates a particular course of action by the dissatisfied consumer.

Second, Day (1977) points out that complaint behavior might consist of more than two dimensions. He supports this idea by recognizing that some consumers have no feelings of either being satisfied or dissatisfied. Day (1980) calls this indifference, and defines it as the absence of an evaluative response.

Third, several authors point out the idea that complaint behavior could take place when the consumer is satisfied (Jacoby and Jaccard, 1981, Day, Shaetzle, Grabicke, and Staubach, 1981). They call this behavior complimenting behavior (Jacoby and Jaccard, 1981), and these people chronic complainers or professional complainers.

Given these points, it is necessary to discuss the idea of dimensionality with regard to complaint behavior. Dimensionality problems do exist and have been discussed in the literature

(Singh, 1988). Singh argues that at one extreme, complaint behavior could be considered a one-dimensional construct (behavioral only). At the other extreme, complaint behavior could be considered an n-dimensional construct. For instance there is support for a one-dimensional construct of complaint behavior to include only behavioral dimensions (Landon, 1980). There is more support for a two dimensional construct of complaint behavior to include behavioral and nonbehavioral dimensions. However, it might be necessary to conceptualize three dimensions to make up complaint behavior, recognizing the indifference component discussed by various authors (Day, 1977, 1980).

It would also seem necessary to recognize a three dimensional, three level taxonomical approach to the conceptualization of complaint behavior. First, complaint behavior does consist of a behavioral component. This is not disputed in the literature. The behavioral component would consist "of all actions that convey an expression of dissatisfaction" (Singh, 1988, p. 94). This would include private and public actions. Second, complaint behavior does consist of a nonbehavioral component. This component would acknowledge consumers who forget a dissatisfying episode and do nothing (Singh, 1988). Third, it seems reasonable to include indifference as a third dimension of the construct of complaint behavior. Day (1980) says that "a lack of evaluative response is assumed to result in the absence of any behavioral or nonbehavioral component" (p. 211). Mowen (1990) describes this as not consciously considering his or her level of satisfaction. There is some justification for this idea in today's market. Many times the response of complaining becomes so laborious that consumers no longer even think about the possibility of complaining. They are unsatisfied but have been frustrated so many times in the past from complaining that they no longer consider that as an option. Given these points, this paper will classify consumer complaint behavior as a three dimensional, three level construct (Figure 2-1).

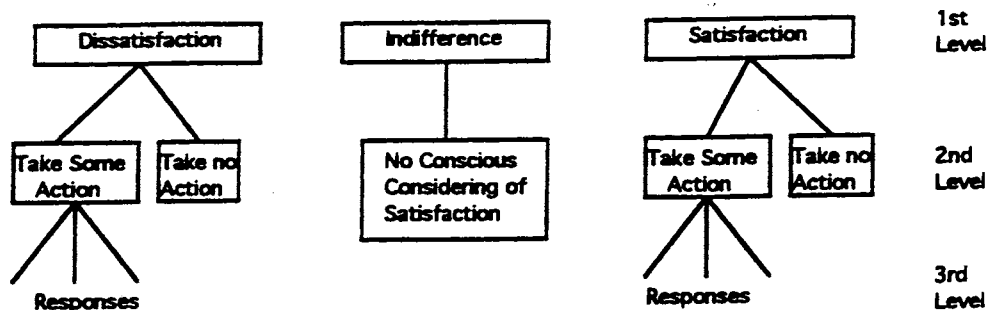


Figure 2-1. Classification of Scheme of Complaint Behavior

### Determinants of Consumer Complaint Behavior

This section of the paper identifies key variables considered helpful in predicting the phenomenon of complaint behavior. These variables are categorized into two types:

(1) individual variables; and (2) situational variables. Identification of these variables help further the conceptualization of complaint behavior, especially when it comes to the task of building a descriptive and predictive model of complaint behavior.

This section first discusses individual variables that are demographic in nature. More specifically research focusing on age, income, and education is addressed. It should be noted that the consumer literature can only provide mixed and sometimes contradictory results with regard to these variables. Some of the more encouraging empirical results are reviewed below.

#### Individual Determinants

**Age.** Various empirical studies support findings that there are significant age differences between individuals who are upset and demonstrate complaint behavior and individuals who are upset but do not demonstrate complaint behavior. In one study, Warland, Herrmann, and Willits (1975) labeled one group of consumers the Upset-Action group, who had demonstrated a

propensity to complain, and a second group the Upset-No Action group, which represented individuals who did not have a propensity to complain. In comparing these groups significant differences in age are found, allowing these authors to conclude that complainers tended to be younger than non-complainers.

Liefeld, Edgecombe, and Wolfe (1975) surveyed Canadian consumers and found that the typical complainer tends to belong to the 25-54 age category. These authors found that as age increases the percentage of people who wrote complaint letters decreased. They concluded from the data that the younger the consumer was, the more likely he was to complain. Zaichkowsky and Liefeld (1977) compared demographic characteristics of agency complainers versus consumers representative of the general population. Similar trends to the Liefeld, Edgecombe, and Wolfe (1975) study were found, with 34% of the sample belonging to the 25-34 age bracket, 21% to the 35-44 age bracket, and 22% to the 45-54 age bracket.

Finally, Bearden and Mason (1984) asked 1000 members of a regional consumer panel to report on an unsatisfactory problem that they had encountered over the last six months. Three groups were identified and named: (1) No problem, (2) Upset - Public Action, and (3) Upset - Private Action groups. They found that the Upset-Public Action group had a mean age of 47.52, the No Problem group had a mean age of 50.47, and the Upset - Private Action group had a mean age of 51.46. From these studies, researchers have reason to accept the idea that people who have a propensity to complain tend to be younger than those who do not have a propensity to complain.

Income. In addition, several empirical studies tend to support the idea that significant differences exist in income between individuals who complain and individuals who do not. Warland, Herrmann, and Willits (1975) found that 64% of the Upset-Action group had an income greater than \$10,000, whereas only 46% of the Upset-No Action group had an income of over \$10,000. Liefeld, Edgecombe, and Wolfe (1975) found that consumers that tended to complain had higher incomes than consumers that did not tend to complain. Bearden and Mason (1984)

compared consumers belonging to three groups. Respondents reporting a significant problem and taking public action tended to have higher incomes than did consumers that reported no problems. They also had higher incomes than consumers that reported a significant problem but took no public action. Finally, Morganosky and Buckley (1987) found that families with higher incomes were more likely to display complaint behavior than were families with lower incomes. More specifically, families that made above \$35, 000 annually tended to demonstrate complaint behavior more often than families that made below \$20,000 annually. From these results, researchers conclude that complainers tend to have higher incomes than do non-complainers.

Education. Finally, empirical research can be found to support significant educational differences between those who complain and those who do not complain. Warland, Herrmann, and Willits (1975) found that 52% of the Upset-Action group had some college and graduate level education, while only 30% of the Upset-No Action group had college and graduate level education. The Liefeld, Edgecombe, and Wolfe (1975) study found that individuals with a college education were more likely to complain and to complain with greater frequency than individuals with lower levels of education. Bearden and Mason (1984) found directional support for the idea that as education increases so does the propensity to complain. It is important to point out that even though these studies do support the generalization that as education increases so does the propensity to complain, one should note that education has been shown to co-vary with income. Thus one could expect the same relationship between education and complaint behavior, as demonstrated between income and complaint behavior.

Psychographic. In addition to these demographic individual difference variables that predict or explain complaint behavior, research has also made use of psychographic variables to predict complaint behavior. Psychographic variables may come in the form of personality, attitudes, interests, and opinions, etc. Profiles of complainers and non-complainers using these types of variables have been compiled by various researchers (Warland, Herrmann, and Willits, 1975, Landon, 1977, Barnes and Kelloway, 1980, Jacoby and Jaccard, 1981). From these

studies a psychographic profile of a complainer can be constructed. For example, Warland, Herrmann, and Willits (1975) found complainers to be more interested in both political and consumer activities than did non-complainers. Complainers also tended to read more and reported positive attitudes about legislators who had an interest in consumers. On the whole complainers were more likely to support consumer issues. Barnes and Kelloway (1980) reported that complainers were more willing to seek out information, had positive attitudes, and felt that real strides had been made in the consumer movement. Jacoby and Jaccard (1981) found that complainers believed they were more in control of their fate than individuals who tended not to complain. Morganosky and Buckley (1987) found complainers to value uniqueness, individuality, and a sense of independence. These authors stated that a complainer's "lifestyle perspective may be a key ingredient in allowing the consumer the freedom to complain" (p. 225). Values oriented toward functionality and practicality are also considered important in complainers. Finally, Morganosky and Buckley (1987) found complainers to be more bright, articulate, practical, and independent than non-complainers.

Implications of Individual Determinants. The implications from this literature are the following: (1) complainers tend to be younger than noncomplainers; (2) complainers tend to have more income and more education than noncomplainers. (3) Psychographically complainers are more interested in consumerism and other related issues than are noncomplainers; (4) complainers are more informed than noncomplainers; (5) complainers have a more positive outlook on life than do noncomplainers; (6) complainers value uniqueness and independence more so than noncomplainers; and finally (7) complainers tend to be more bright, articulate and more practical than do noncomplainers.

### Situational Determinants

Situational variables are also related to complaint behavior. Several authors have reported that the tendency to complain is related to the importance of the purchase and the perceived costs (Landon, 1977, Jacoby and Jaccard, 1981, Bearden and Mason, 1984, Wilkie 1986). According to one author, the severity of the problem or magnitude of the loss associated with the unsatisfactory purchase is an apparent determinant of consumer complaint behavior (Granbois, Summers, and Frazier, 1977). However, another author states that "satisfaction with products is not related to their cost, but the tendency to complain is" (Landon 1977, p.33). This idea suggests that costs may in some cases be an important factor in deciding whether to complain. But in other cases, especially where consumers are younger and more educated there is an acquired tendency to complain when faced with dissatisfaction.

Others state that products important to the consumer are more likely to generate complaints when dissatisfaction occurs. Bearden and Mason (1984) find significant differences with relationship to perceived costs between individuals who were upset and complained and individuals who were upset but did not complain. These authors reported perceived costs associated with the dissatisfaction to be one of the only consistent predictors of complaint behavior in consumers.

It should be noted that perceived costs or importance is not necessarily limited to a monetary loss associated with the product. Perceived cost could be associated with the time spent complaining (Feldman, 1976). It could also be a function of the firm's image. Day and Landon (1977) believe that there is a strong correlation between a firm's image for quality and reputation for making adjustments to a consumer's dissatisfaction and complaint behavior. In other words, the more willing a firm is to satisfy a customer, the more likely the customer is to complain. Jacoby and Jaccard (1981) recognize the chance for redress to be a significant predictor of complaint behavior. Consumers do take some limited time to survey the situation to understand the benefit from complaining. The probability for redress seems closely associated with the

perceived cost variable. Richins (1983) recognizes the willingness to respond by the retailer or manufacturer handling the complaint as an important predictor of complaint behavior. To give some insight into the perceived cost dimension of complaint behavior, Table 2-3 provides information on what types of problems consumers typically complain. This information could be beneficial for companies to have an understanding of what consumers consider important areas that warrant complaint. The Technical Assistance Research Program (TARP) study done by a Washington based consulting firm and reproduced in many books and articles (Wilkie, 1986; Bernhardt, 1981) gives us that insight. 2500 consumers were surveyed across the United States and a list was compiled of the most frequently reported complaints. TABLE 2-3 shows the top ten complaints of the 23 reported in the full text.

TABLE 2-3

## TYPES OF COMPLAINTS

---

1. Store did not have product advertised for sale .....	24.9%
2. Unsatisfactory performance/quality of product.....	22.4%
3. Unsatisfactory repair.....	20.3%
4. Unsatisfactory service.....	15.6%
5. Long wait for delivery .....	10.3%
6. Failure to receive delivery .....	10.2%
7. Overcharge or excessive prices .....	9.6%
8. Distasteful or offensive advertising .....	9.2%
9. Product/service not as ordered/agreed on.....	8.8%
10. Incorrect/deceptive or fraudulent billing .....	8.6%

---

Source: Wilke, William L., (1986) *Consumer Behavior*, New York: John Wiley & Sons.



One important aspect of the TARP findings is that the most complained about problems are service related problems rather than product related problems. Product availability, repair, service unrelated to repair, and distribution were all in the top 5 of the 10 most complained about problems. This phenomenon clearly points to the fact that consumers are becoming more attuned and integrated to our growing service economy and are becoming increasingly demanding in the pursuit of satisfaction.

Not only do the perceived costs of the complaint incidence and the type of complaint make up the situational complaint dimension, but how the complainers are treated when they complain also represents a part of that dimension. If a consumer receives a positive reaction from a company, then the likelihood for that consumer to demonstrate complaint behavior the next time dissatisfaction occurs is reinforced. Operant learning theory could explain this situation. For example, punishers (lack of redress from a company) are any stimuli whose presence after a behavior decreases the likelihood of the behavior recurring. If the company responds negatively to a consumer in a dissatisfied situation, this type of behavior will have lasting effect on the propensity for a consumer to complain in the future. Because unsatisfied customers typically translate into no customers, company reactions to complaining consumers become extremely important to the success of the organization as a whole.

In today's competitive markets, corporations should be concerned about dissatisfied consumers and should be responding positively to keep them brand loyal. One study noted that "a customer's long-term value to the firm is usually higher than the value of the purchase complained about" (Fornell and Westbrook, 1984, p. 69). In fact, McGuire (1973) found that consumer affairs departments were quite uncommon in the decade of the sixties, and that fewer than 25% of the companies he surveyed in 1973 had consumer affairs departments that were five years old (Landon, 1978). This fact shows that these types of departments are growing but are still quite new. Landon (1978) reported that today most large U.S. companies have consumer affairs departments.

Even though consumer affairs departments seem to be the norm today rather than the exception, are they doing their jobs in making consumers more satisfied consumers? Kendall and Russ (1975) found that in 82% of the complaining instances manufacturers responded to complaint letters. Pearson (1976) found a 74% response rate, while Hill and Garner (1974) found a 60% response rate to complaints of consumers. These response rates are relatively low and reflect the lack of intent on the part of the manufacturer or retailer to respond to the complaint. For instance, Resnik and Harmon (1983) reported that in many cases managers viewed consumer complaints as unjustifiable. When managers were asked their reasons for this particular viewpoint, they responded in a number of ways: (1) in 34.9% of the cases managers believed that the consumer was trying to get something for nothing from the corporation; (2) in 22.9% of the cases managers believed that the consumer was actually confused as to who was responsible for his dissatisfaction; and (3) in 14.5% of the cases managers believed that the consumer felt they were right no matter what the situation was (Resnik and Harmon, 1983). Overall, these authors did report that 45.5% of the managers surveyed had as their goal customer satisfaction. Yet, these statistics show cause for real concern, especially if the other 55.5% of the managers surveyed do not have customer satisfaction as their goal.

Perhaps one explanation for this low response rate to dissatisfied customers lies not with the managers, but with the organization itself. "Research in organizational behavior suggests that there may be significant impediments to the intrafirm communication" (Fornell and Westbrook, 1984, p. 69). According to these authors, if the organizational structure for handling complaints is subject to considerable selectivity, this could increase consumer complaints. As consumer complaints tend to increase, an organization's willingness to listen and act upon its customers' complaints decreases. This type of response by a manufacturer tends to perpetuate dissatisfaction among consumers. The problem escalates when selectivity of listening to complaints is practiced by the consumer affairs department. If the consumer affairs department fails to alert marketing managers as to complaints in order to protect management from so called "bad news," then a

circular problem occurs. Fornell and Westbrook (1984) call this problem "the vicious circle of consumer complaints" (p. 68), noting that many firms behave in such a manner. Typically it is those companies which "publicly proclaim their responsiveness to consumers" (p.76) who do practice such policies.

Implications of Situational Determinants. The implications of situational factors are extremely important. First, according to the literature perceived costs seem related to a number of areas, all of which might be very important in determining whether a consumer complains. These factors include chance or probability of redress, the seller's reputation for quality and service, and the type of complaint. It would seem that consumers consider a vast number of situational variables before deciding whether to complain in a particular situation. It would also seem that consumers are complaining more about service related factors, rather than strictly product related factors. Finally, situational factors having to do with the response of the manufacturer are also considered before consumers decide whether to complain.

#### Models Conceptualizing Consumer Complaint Behavior

Many authors offer depictions of the processes involved in complaint behavior (Gilly, 1979; Bearden and Teel, 1980, 1983; Forbes, Tse, and Taylor, 1986). This section surveys the literature to identify consumer complaint models. Some authors have tested selected relationships in their models (Bearden and Teel 1980, 1983), while others have modeled processes only from a conceptual perspective (Day and Landon, 1977; Landon, 1977). One important point that is made about the modeling of complaint behavior is that if the modeling of CCB is wholly complete, the resulting model will be "hopelessly complex and difficult" (Day, 1980, p. 214). Diagramming an exhaustive representation of the antecedents of complaint behavior would be admirable; however, the exercise leads to an unmanageably large number of variables for any single study to examine. Therefore, this section will examine the literature with special attention given to (1) articles that offer depictions of the processes of complaint behavior; and (2) that have tested selected

relationships involved in complaint behavior process. The discussion will revolve around these variables: (1) consumer satisfaction/dissatisfaction; (2) individual predictor variables; (3) situational predictor variables; (4) and complaint behavior.

### Models of Complaint Behavior from a Consumer Perspective

Consumer Satisfaction/Dissatisfaction. The process of modeling complaint behavior is difficult, and an important question to address in any effort is whether to include the construct of S/D in a model of complaint behavior. The consumer S/D literature is quite extensive alone and one must ask: does the construct and depiction of CS/D belong in a model of complaint behavior? In addressing this question, Day (1980) offers an important point as to where the study of consumer satisfaction/dissatisfaction (CS/D) ends and where the study of consumer complaint behavior begins. Day (1980) points out that while it is important to understand the entire process of consumer complaint behavior (CCB), the focus should be on CCB and not CS/D. With this in mind, Day believes that the measurement of CS/D is not critical in predicting CCB. According to Day (1980), CCB should deal strictly with the responses of the consumer to the dissatisfying experience, while eliminating arguments over which theoretical model best explains CS/D. Day (1980) states that research in complaint behavior should concentrate on what consumers do, or don't do, after evaluating the specific consumption experience. Despite Day's (1980) suggestion, most authors have chosen to begin their discussion and depiction of the complaint behavior process with the introduction of the construct of CS/D.

For example, Bearden and Teel's (1983) modeling effort, in addition to their empirical findings contradict Day's (1980) suggestion concerning CS/D. Bearden and Teel (1983) extend consumer complaining behavior into a theoretical model of consumer satisfaction by diagramming and testing theoretical antecedents of CS/D. In their model, expectations and disconfirmation are hypothesized as directly affecting CS/D. The model diagrams pre-experience and post-experience attitude and intention formation. A 1200 family panel was surveyed concerning their complaint behavior, expectations before and after the experience, attitude and

intention formation. Expectations were found to be positively associated with S/D. Results show that as expectations for performance increased, so did satisfaction. According to these authors, expectations "provide a standard against which subsequent performance is judged" (p. 22). In addition, disconfirmation was found to be positively related to S/D. If confirmation/disconfirmation occurred in the situation, then S/D resulted. As S/D resulted in the consumer, a negative relationship between CS/D and complaint behavior resulted. These particular findings are important in that they contradict Day (1980) by providing empirical support for CS/D as a critical component in predicting consumer complaint behavior. Bearden and Teel's (1983) findings also lend support for the expectancy disconfirmation paradigm. Both constructs, namely expectations and disconfirmation have been shown to have a significant relationship in the predicting of complaint behavior.

Second, Jacoby and Jaccard (1981) provide support for the inclusion of the CS/D construct in the complaint behavior process through their formulation of a model of the post-purchase evaluation process. The conceptual model identifies how the actual complaint process takes place and what the inputs to complaint behavior might be. These inputs include the actual experience derived from having used the product. It is experience, along with the consumer's prior expectations, the consumer's personality, and the situational influences (eg. word of mouth, mass media communications) that determine dissatisfaction. In this manner, Jacoby and Jaccard (1981) also accept the traditional expectancy disconfirmation paradigm concerning CS/D. Although, Jacoby and Jaccard (1981) recognize the major role of S/D in the context of the expectancy disconfirmation paradigm in predicting complaint behavior, they acknowledge dissatisfaction alone is not adequate in producing a consumer complaint. Jacoby and Jaccard (1981) cite other factors such as the individual, and the situation as important in producing the process of complaint behavior.

Third, Richins (1979) diagrams what she calls a comprehensive model of the consumer complaining process. In the model, inputs into the complaining process are called exogenous

variables. Exogenous variables include product related, individual related, and situational related variables. It is these exogenous variables that will influence a consumer's satisfaction/dissatisfaction (CS/D) evaluation. The satisfaction/dissatisfaction evaluation recognizes a comparison between perceived product performance and expectations. The magnitude of that difference goes to form CS/D. Richin's (1979) model diagrams CS/D as the catalyst that triggers complaint behavior.

For the most part, the recognition of CS/D in the modeling effort of complaint behavior is not disputed in the literature. In fact, many authors accept CS/D as a determinant of complaint behavior without question (Landon, 1977; Lawther, Krishnan, and Valle, 1978; Granbois, Summers, and Frazier, 1977; Bearden and Teel, 1980, 1983; Bearden and Mason, 1984; Forbes, Tse, and Taylor, 1986). Because the construct of S/D etched in the expectancy disconfirmation paradigm has both predictive and nomological validity, it must be included in future consumer complaint behavior models.

Individual Variables. In addition to CS/D, individual factors are considered important antecedents to complaint behavior. Various authors have diagrammed variables included in the individual category in their models. According to Day and Landon (1977), a consumer's reaction to dissatisfaction is dependent upon the attributes of the individual such as their propensity to complain, their age, their education, their knowledge, etc. Landon (1977) also models the personality of the individual as important to complaint behavior. Bearden and Mason (1984) identify various correlates of complaint behavior that include (1) demographic variables (age, income, education); (2) consumer and personality characteristics (activism, alienation, assertiveness, powerlessness); and (3) attitudes about complaining. Each of these variables was used to test for differences in the mean for each type of complaint behavior (no problem, public action, and no public action). In the analysis, each variable was also correlated to complaint behavior. In the first wave of surveys data about individual characteristics, personality measures and opinions about various aspects of complaint behavior were gathered. Six months later a

second wave of surveys was sent to the same individuals. Data was collected about an unsatisfactory consumer purchase problem or experience. Questions regarding "reasons for those problems, the monetary value of any associated costs, and the complaint actions taken after the problematic experience" (p. 492) were requested. Results found respondents taking public action tended to be more active in consumer related issues, and scored higher on consumer alienation scales. Finally, people who engaged in public action tended to report a higher propensity to complain than those who did not engage in public action.

Findings in the Bearden and Mason (1984) study provides further support for various individual relationships that have been tested in past studies. For example complainers have been shown to be younger, and possess higher incomes than do noncomplainers (Warland, Herrmann and Willits, 1975; Liefeld, Edgecombe, and Wolfe, 1975; Zaichkowsky and Liefeld, 1977). In addition, complainers have been found to be more active in consumer related issues and tend to exhibit a higher propensity to complain than do noncomplainers (Warland, Herrmann, and Willits, 1975; Kelloway, 1980; Jacoby and Jaccard, 1981).

In addition to the above study, Bearden and Teel (1980) proposed and tested a model of personal influence variables on the complaining process. More specifically, these authors tested the interrelationships between individual confidence, psychosocial risk, attitude toward the situation in which complaints are likely to be expressed, and that consumer's attitude toward complaining.

Six relationships are hypothesized in this model. An initial sample test yielded four significant paths, all of which were in the hypothesized direction. These paths include (1) individual confidence and psychosocial risk; (2) individual confidence and attitude toward the situation; (3) individual confidence and attitude toward complaining; and (4) attitude toward the situation and attitude toward complaining. A replication sample also yielded four significant paths, of which only three were in the hypothesized direction. These include (1) individual confidence and psychosocial risk; (2) individual confidence and attitude toward the situation;

(3) attitude toward situation and attitude toward complaining; and (4) psychosocial risk and attitude toward complaining. Overall, results show an inverse significant relationship between individual confidence and psychosocial risk. In addition, there is a positive relationship between individual confidence and attitude toward the situation, and attitude toward complaining. It would seem that individual confidence does play a very important part in the formation of a positive attitude toward the situation and toward complaining. As a consumers' individual confidence level increases so does his attitude toward the situation. Also, individual confidence was found to significantly affect attitude toward complaining, but only in the initial sample. In addition, individual confidence has been shown to play a major role in affecting perceived risk levels in the consumer. Basically, as individual confidence increases there is less psychosocial risk perceived by the consumer in complaining. Also, a positive relationship was found between the two attitude components in both samples. This type of relationship was hypothesized and seems to be intuitively logical. One would think that as the attitude toward the situation increased then the attitude toward complaining would also increase.

Basically, Bearden and Teel (1980) found that lack of confidence on the part of the consumer, perception of risk, and feelings about a situation involving complaint interactions may well inhibit consumer complaint regardless of what structure has been set up by the business to promote complaint behavior. Because various individual variables have been shown to have predictive validity in their relationship with complaint behavior, they must be included in future complaint behavior models.

Situational Variables. In addition to individual variables, situational factors are considered important antecedents to complaint behavior. For example, Day and Landon (1977) recognize in their conceptual model that a consumer's response to dissatisfaction is dependent upon situational variables such as the ease of redress, and the degree of public consciousness. Also, the amount of money involved in the transaction seems to be a very important situational antecedent to complaint behavior.



Lawther, Krishnan, and Valle (1978) discuss how monetary loss and attribution of blame processes affect the type of complaint behavior response. They refer to an earlier study by Krishnan and Valle (1978) where complaint behavior is represented by a hierarchical process. In this hierarchy, the consumer is seen as moving from a low to a high level of complaint behavior. Movement along this hierarchy of complaint behavior is dependent upon various factors that include situational factors.

In their study, Lawther, Krishnan, and Valle (1978) attempt to understand how complaint behavior might relate to attribution (external and internal), and monetary loss. The dependent variable used was the subject's response on the complaint behavior hierarchy. Various cases involving attribution were created, each including situations involving the following parties (ie. manufacturer, advertiser, company, cost estimator, salesperson, repairman/serviceman, spouse/friend). Results show that when external attribution is assigned, the consumer tended to respond with a higher level of complaint action. When internal attribution is assigned, a lower level of complaint action takes place. When different levels of monetary loss were introduced, individuals tended to respond with a higher level of complaint action, as monetary loss increased. When looking at self attribution and monetary loss together, individuals tended to respond at a higher level of complaint action, especially as monetary loss increased, no matter who was deemed responsible for the dissatisfying experience.

Gilly (1979) also looks at monetary loss as an important situational predictor variable. In her model she concentrates on a framework for studying S/D resulting from the organization's response to a consumer's initial complaint. Once a consumer arrives at dissatisfaction and engages in complaint behavior, the basic question that Gilly (1979) asks is: how does the consumer respond to a manufacturer's subsequent response? Three hypotheses dealing with this situation are hypothesized. First, the amount of monetary loss claimed by the consumer is inversely related to the consumer's satisfaction with the companies' response to the complaint. In other words, the higher the monetary loss suffered by the consumer, the higher the expectations

for an acceptable solution offered by the company. Results show no support for the first hypothesis. Consumers were not found to have higher reimbursement expectations from the company, as the monetary loss associated with the dissatisfying experience increased. Gilly (1979) states that it is possible that other factors beside the recouping of the monetary loss are more important to the consumer. Gilly notes that reimbursement of money is important, but not the most important restitution that can be offered by the offending company.

Second, Gilly (1979) theorizes that the percentage of monetary loss repaid will be positively associated with the consumer's satisfaction. If expectations are met concerning repayment of the monetary loss by the company to the consumer, then satisfaction will occur. Support was found for the second hypothesis. A consumer's satisfaction was found to be positively associated with the repayment of the monetary loss. Gilly (1979) reports that "the fulfillment of tangible expectations appears to be an important aspect of the company's response to complainants" (p. 101).

Third, Gilly (1979) hypothesizes that response time of the company will be inversely related to consumer satisfaction with the response. In other words, the longer it takes the company to respond in order to make restitution for the dissatisfying experience, dissatisfaction in the consumer will increase. No support was found for an inverse relationship between the number of days taken to resolve the problem and the satisfaction of the customer. It would seem that restitution for the monetary loss associated with the dissatisfying experience transcends the time required to make the restitution. However, those dissatisfying situations not involving a loss of money do cause increased dissatisfaction in consumers if not taken care of promptly. Gilly (1979) advises that the handling of complaints should be a matter of policy-- a quick and speedy response.

Finally, Granbois, Summers, and Frazier (1977) empirically test and model the relationships of several situational determinants with complaining behavior. They sent questionnaires out to a consumer panel maintained by the Center for Marketing Studies at the

University of South Carolina. Information involving problems associated with the purchase and use of grocery items and clothing items was solicited. Across all products the most significant predictor of complaining behavior is the consumer's perception of the store's willingness to provide a remedy for the dissatisfying experience. A store perceived by the consumer as willing to provide a remedy to the consumer for a dissatisfying experience is far more likely to provoke the phenomenon of complaint behavior in consumers, than one who is perceived unwilling to provide a remedy. For instance, 77% of the consumer panel said they would complain in a dissatisfying experience if they viewed the store as willing to provide a remedy, while only 25% of the consumer panel said they would complain in a dissatisfying experience if they viewed the store as unwilling to provide a remedy. Based on this finding, Granbois, Summers, and Frazier (1977) believe that complaint behavior is a function based out of practicality. Consumers are thought to be not willing to spend time complaining when it is largely perceived to be a fruitless effort.

Overall, when trying to model determinants of complaint behavior using individual or situational antecedents, advice has been offered by Day (1980). He points out that to reduce this complex modeling task down to something reasonable, researchers must concentrate on a limited set of predictors for complaint behavior. He suggests concentrating on two indexes to predict CCB. The first index should emphasize variables measuring individual and psychological factors considered important to predicting complaint behavior. He states psychological indexes are available and helpful in obtaining psychographic profiles of the individual. The second index should consist of variables that measure the costs versus the benefits of complaining. In measuring cost versus benefits, Day (1980) suggests using "abstract utility scales or expected monetary value measures" (p. 214). In addition, a final measure of complaint behavior must include behavioral tendencies of the individual. Day (1980) suggests that a combination of these indexes should be created in such a manner that indifference will be considered a viable consumer complaint behavior.

Consumer Complaint Behavior. When modeling complaint behavior, dimensionality becomes a major point of contention. Please review the section entitled Consumer Responses to Dissatisfaction in the literature review, where an analysis is conducted of fourteen studies to see how complaint behavior is dimensionalized. Conclusions of this section classifies consumer complaint behavior as a three dimensional, three level construct (See Figure 2-1).

In looking at previous modeling efforts, one of the first attempts to diagram complaint behavior responses were offered by Day and Landon (1977). These authors however did not concentrate on conceptualizing the entire process of complaint behavior, but developed a flow chart of what took place when the consumer is faced with a dissatisfying experience. In their text, Day and Landon (1977) recognize three consumer attitudes or dispositions that could develop from an unsatisfactory experience with a product or service. These include a general feeling of satisfaction; a feeling of unawareness or indifference; or a feeling of dissatisfaction. Unfortunately, Day and Landon (1977) only focus their modeling effort on what takes place after dissatisfaction occurs. By diagramming only reactions from dissatisfaction as complaint behavior, they violate the basic conclusions of Chapter 2, pages 81-84 of this literature review. Complaint behavior must be classified as reactions that arise out of feelings of satisfaction, dissatisfaction, and indifference.

Jacoby and Jaccard (1981) provide support for this idea by conceptualizing three atypical groups of people who might complain. The first atypical group that might complain are those people who are essentially satisfied users of the product. These people are given the title of "professional complainers." Professional complainers are people trying to abuse the system for their personal gain. However, satisfied users could complain out of their concern for the quality of future products produced by the company. In addition, satisfied consumers might develop anti-business sentiment that could prompt them to complain. Finally, satisfied people may simply have a predisposition to complain.

A second group of atypical complainers is identified as non-users of the product yet purchasers of the product. This situation includes any type of gift giving people who purchase a product but never use the product, and who discover that they made an unwise purchase in the first place and decide to complain. Finally, a third atypical group is identified as non-users who are also non-purchasers of the product. In many cases these people feel harmed by the product through the use of the product by other individuals. Jacoby and Jaccard identify the non-smokers who complain about the toxic smoke generated from a smoker's cigarette as a good example of these people. Another example is people who live around airports and are exposed to excessive noise from airplanes. All of these publics are important to businesses and contribute to their long term viability. According to Jacoby and Jaccard (1981), these people should not be taken granted. Through this discussion it can be seen that complaint behavior can arise out of situations where the individual(s) are dissatisfied with the product, satisfied with the product (ie. professional complainers), or indifferent toward the product (ie. people who live around the airport and are exposed to the noise of an airplane).

Even after Jacoby and Jaccard's (1981) discourse, all too often complaint behavior is modeled and tested as just a one-dimensional construct and by-product of a dissatisfying experience. For example, Bearden and Teel (1983) accept Day and Landon's (1977) modeling of complaint behavior, to include only reactions from a dissatisfying experience. Complaint behavior is operationalized using an index consisting of five items that are direct responses to dissatisfaction. They describe these items as "containing responses to personal and direct complaint alternatives identified and investigated in prior studies of consumer reactions to marketplace dissatisfaction" (p. 23). These items include responses such as (1) warned family and friends; (2) returned product for repair and/or complained to management; (3) contacted manufacturer; (4) contacted Better Business Bureau, state office of consumer affairs or private agency; or (5) took some legal action. However, by not including the full domain of complaint behavior (ie. complaint behavior resulting from satisfaction and/or indifference) in their

measurement of the construct, these authors are seriously compromising the reliability and validity of their study.

Bearden and Mason (1984) acknowledge three dimensions of complaint behavior in their empirical study that included: (1) no problem; (2) no public action; and (3) public action. Various relationships between complaint behavior and demographics, psychographics, and attitudes toward complaining were tested. Results show significant relationships between these variables and complaint behavior, even though the correlations were small in magnitude. The measure for complaint behavior was a single criterion measure for individual, private and public actions, and a combined overall behavioral index. By using a combined index, Bearden and Mason (1984) thought that the dependent variable would reflect the breadth of the attitudinal and other predictor variables examined. Unfortunately, correlations were only .082, .093, and .105 respectively for durables, and .059, .079, and .095 respectively for services. Bearden and Mason (1984) used self-reported data concentrating on post-purchase processes and product use related complaint behavior.

Richins (1983) acknowledges three possible responses to a dissatisfying experience. She describes them as repeat purchase behavior, complaint behavior, and word-of-mouth communication. The focus of this study hinges upon word-of-mouth communication (WOM) as a response to a dissatisfaction. Three variables that were tested in relationship to WOM communication included severity of the problem, attribution of blame, and perceptions of retailer responsiveness to a dissatisfying experience. Results show that as the severity of the problem increased so did the tendency to engage in negative WOM communication. Second, Richins (1983) found that as attribution to blame tended toward the external, consumers tended to engage in negative WOM communication. Finally, results support the idea that as more negative perception's of the retailer responsiveness to consumer complaints increase, so does WOM communication. These results support Granbois, Summers, and Frazier (1977) in that firm's unwilling to provide a remedy provoked less public type complaint behavior in consumers.

Since WOM communication is considered a private type of complaint behavior, most likely undetected by business, these results provide additional support to the idea that complaint behavior is a function of practicality. When consumers perceive public action type complaint behavior a waste of time, private action type complaint behavior may increase.

Forbes, Tse, and Taylor (1986) conceptualize a model of consumer post-choice response behavior. This model tries to obtain a measure of "total behavior" (p. 658) by including the psychological component in addition to the behavioral component in a conceptualization of a post-choice complaint behavior. In the past, complaint behavior has been characterized as having behavioral and nonbehavioral dimensions (Day 1980). According to Day (1980) the behavioral component of complaint behavior typically comes in the form of complaining, redress seeking, and/or personal boycott. Nonbehavioral responses to dissatisfaction typically take the form of attitude formation. Bearden and Teel (1983) include pre-experience attitude and intention formation and post-experience attitude and intention formation as antecedents and consequences to consumer S/D. No study has combined both components of complaint behavior in one model. Day (1980) has mentioned the need for two indexes that include individual and psychological factors to predict consumer complaint behavior. Forbes, Tse, and Taylor (1986) define the psychological component of complaint behavior to consist of overall beliefs, attitude, product attribute salience, and repurchase intent. This conceptualization follows Day's (1980) advice by including the attitude component. In addition, Forbes, Tse, and Taylor (1986) bring in the formation of an intention structure as did Bearden and Teel (1983).

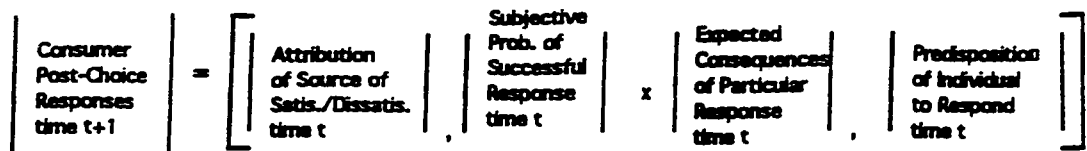


Figure 2-2. Model of Consumer Post-Choice Response Behavior

Source: Forbes, J.D. David K. Tse, and Shirley Taylor (1986), "Towards a Model of Consumer Post-Choice Response Behavior," in *Advances in Consumer Research*, Richard J. Lutz, ed., Ann Arbor, MI: Association for Consumer Research, 658-661.

Forbes, Tse, and Taylor also suggest that longitudinal studies should be used to understand complaint behavior. This idea has been put to practice by Bearden and Mason (1984). All the constructs used in the Forbes, Tse, Taylor (1986) model have been talked about in the literature, such as attribution (Lawther, Krishnan, and Valle, 1978; Richins, 1983); responsiveness of company (Day and Landon, 1977, Gilly, 1979); and individual factors (Warland, Herrmann, and Willits, 1975; Liefeld, Edgecombe, and Wolfe, 1975; Bearden and Mason, 1984). Expected consequence of a particular response as measured by these authors is a function of (expected costs and benefits) - (accrued costs and benefits). Expected costs and benefits has been discussed by Richins (1979), Day (1980), and Bearden and Mason (1984). Overall, this model is considered of benefit because of its detailing of psychological response to a dissatisfying experience and placing the conceptualization into a mathematical framework.

In the last study reviewed, Lawther, Krishnan, and Valle (1978) report on an earlier study done by Krishnan and Valle (1978) where they view complaint behavior as a multidimensional construct. Using a principal components analysis three factors were found to represent



(3) remedial action type. However, Lawther, Krishnan, and Valle (1978) view complaint behavior as hierarchical process. The process they describe is much like the adoption processes where a consumer is seen as going through as a series of stages when introduced to an innovation. An interesting point is suggested by the authors using their model of complaint behavior. Lawther, Krishnan, and Valle (1978) theorize that by using the hierarchical method of measuring complaint behavior, research profiles of products and consumers could be developed. They suggest that these profiles could benefit governmental consumer protection agencies as well as corporate public relations departments by helping to understand what types of complaint actions different groups of people tend to take when faced with various dissatisfying experiences. The following diagram shows the Lawther, Krishnan, and Valle (1978) scale of complaint behavior divided into the dimensions diagrammed in Table 2-4 of the literature review. Each dimension of S/D is further subdivided into three dimensions of complaint behavior represented by no action, private action, and public action. Each item in the Lawther, Krishnan, and Valle (1978) scale measures each dimension of complaint behavior, namely (1) No Action; (2) Private Action; and (3) Public Action.

TABLE 2-4

## COMPLAINT BEHAVIOR REPRESENTED BY DIMENSIONS

---

 No Action

1. I took no action at all or did not consciously consider the dissatisfying experience.

1. No Action

Private Action

TABLE 2-4 (Continued)

---

Indifference	2. Private Action	2. Decided not to buy product or service or deal with
	3. Private Action	company.
		3. Complained to the person who sold me the product.
		4. Complained to the company or store.
	1. No Action	5. Complained to family or friends.
Satisfaction	2. Private Action	6. Asked for replacement or refund.
	3. Public Action	7. Stopped payment or refused to pay.
		Public Action
		8. Considered taking legal action.
	1. No Action	9. Complained to a consumer agency.
Dissatisfaction	2. Private Action	10. Complained to public agency or my congressman.
	3. Public Action	11. Consulted or hired a lawyer to protect my interests.
		12. Complained in a letter to a newspaper or magazine.

---

The only difference across the dimensions of complaint behavior comes in the conceptualization of indifference. Indifference is defined as not consciously considering his or her level of satisfaction. The scale developed by Lawther, Krishnan, and Valle (1978) must be expanded to consider situations where the consumer actually feels indifference toward the product, but exhibits complaint behavior. By including this type of complaint behavior in the scale of measurement, situations that have been described by Jacoby and Jaccard (1981, p. 20) will be represented (ie. this group of complainers discussed on page 22-24 of this section).

From this discussion, the measurement and conceptualization of complaint behavior is controversial. Day and Landon (1977) choose to only diagram complaint behavior that stems from a dissatisfying experience. Jacoby and Jaccard (1981) believe that complaint behavior can be the result of satisfaction, dissatisfaction, and indifference. Bearden and Mason (1984) and Richins (1983) look at complaint behavior as a three dimensional construct, but disagree on the designation of those dimensions. Forbes, Tse, and Taylor (1986) model complaint behavior as a function of attribution, subjective probability of successful response from the company, expected consequences of a response, and individual factors. Finally, Lawther, Krishnan, and Valle (1978) view complaint behavior as a hierarchical process.

It would seem that the diagramming and measuring of complaint behavior makes the most sense by using the approach that Lawther, Krishnan, and Valle (1978) use. This hierarchical measurement takes into consideration the fact that different individuals will respond differently in the same situations as well as the same individuals responding differently in different situations. Overall, this approach will allow the researcher to develop profiles of consumers as to how they might respond in certain situations. In doing so this will allow the researcher to investigate the validity of the proposed typologies developed from this measure. In addition, the hierarchical measure of consumer complaint behavior is adaptable to an organizational perspective and can be used to develop profiles of manufacturers, wholesalers, retailers, etc. in the complaining process. In addition, the measure can be expanded to take in consideration all dimensions of complaint behavior, and all dimensions of S/D (Figure 2-3).

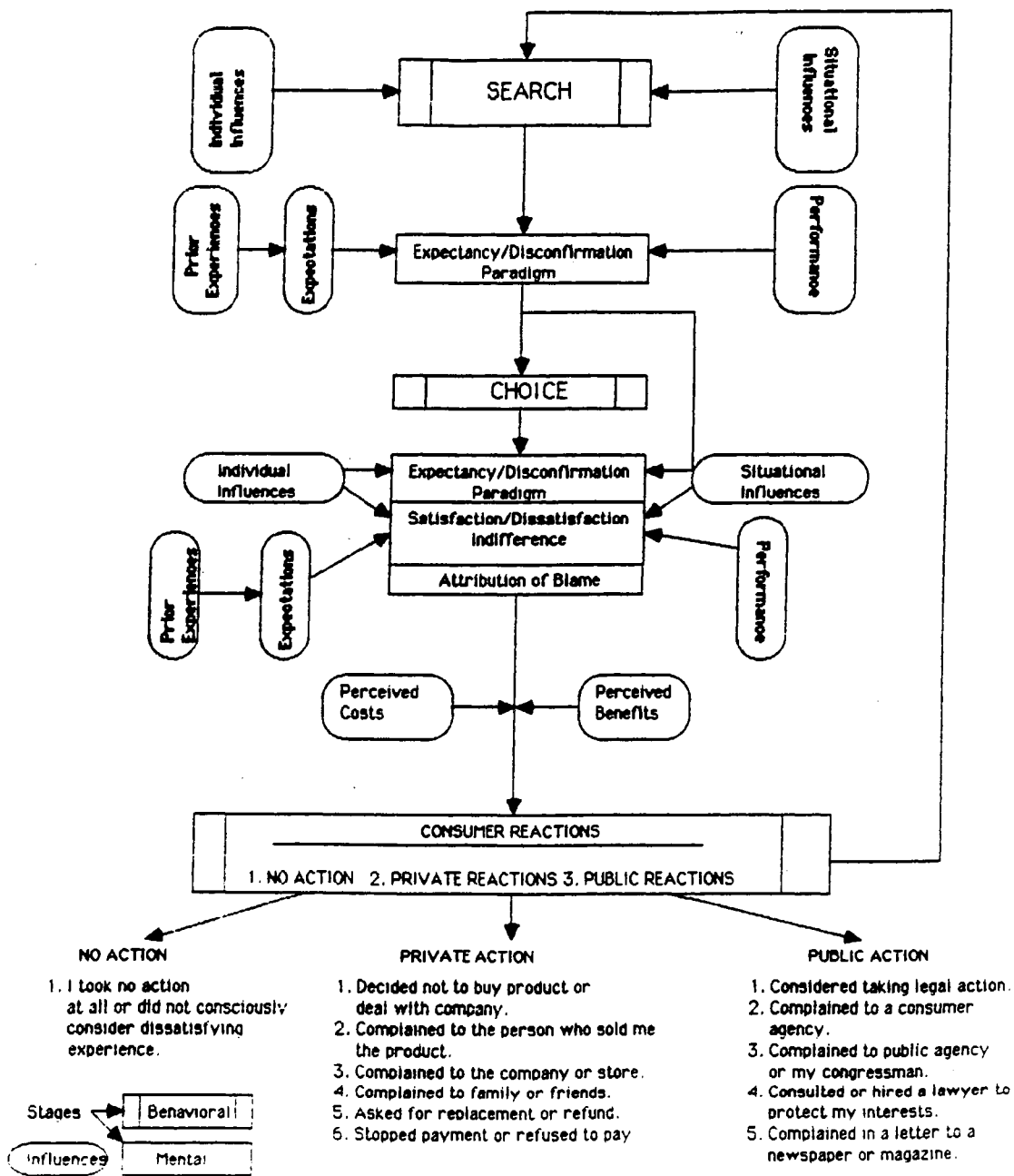


Figure 2-3. Comprehensive Conceptual Model of Consumer Complaint Behavior

## Comprehensive Model of Consumer Complaint Behavior

From this review, a comprehensive model of complaint behavior has been designed to meet Hunt's criteria for explanatory models. The model, shown in Figure 2-3 diagrams a complaint behavior situation. The model is pragmatic in that it represents the process of complaint behavior in a logical and practical way. It also has empirical content and is intersubjectively certifiable.

### Introduction

This model depicts the complaint behavior process as a series of stages. Two types of stages are represented which include behavioral stages and nonbehavioral stages (Day 1980). Behavioral stages are delineated by the following steps: the pre-purchase search step, the choice step, and the consumer complaint behavior step. Each behavioral stage portrays actual behavior performed by a particular individual. Nonbehavioral stages portray cognitive activity linked to attitude structure formation (Bearden and Teel, 1980; Day 1980; Jacoby and Jaccard, 1981; Bearden and Teel, 1983). Nonbehavioral stages are limned by two different evaluation steps. Also, this model recognizes that there are various influences that intimately affect each stage. These influences are entitled situational influences, individual influences, prior experiences, expectations, performance, perceived costs, and perceived benefits. Finally, a feedback loop is shown to emphasize the fact that the complaint behavior process is dynamic.

### The Model

Search Stage. The complaint behavior process begins with the behavioral stage entitled pre-purchase search. This search step represents various endeavors that are commonly referred to as a pre-purchase activities (Westbrook, Newman, and Taylor, 1978; Gilly and Gelb, 1982). The activities performed by the individual in the pre-purchase search step represent all consumer activities that are potentially necessary and useful for acquiring and

consuming a particular product or service. Many conceptualizations of the complaint behavior process neglect diagramming pre-purchase search activities as a possible cause of dissatisfaction and complaint behavior. This model recognizes that the experiences that occur before a purchase can cause significant enough frustration and discontent to prompt a consumer complaint. Westbrook, Newman, and Taylor (1978) note a number of situations that could occur during the pre-purchase search stage that might give rise to complaint behavior. These include aspects like "the adequacy of available product alternatives for meeting consumer wants; the access to desired pre-purchase information; the experience of visiting retail stores; and the task of evaluating and choosing among alternatives" (Westbrook, Newman, and Taylor, 1978, p.55). All of these situations are considered pre-purchase activities, but are extremely diverse. Because of their diversity, it might be helpful to place them into two categories. These categories are represented in the model as situational influences and individual influences. Situational and individual influences do have a significant affect on search behavior activities. For instance, situational influences that would affect the search stage could include exposure to a rude sales representative, exposure to an annoying store policy, exposure to a displeasing merchandising technique, or the seller's reputation for quality and service (Day and Landon, 1977; Westbrook, Newman, and Taylor, 1978). Each one of these situational influences will affect how satisfying or dissatisfying the pre-purchase search step is for the individual. In addition, individual influences will affect the satisfaction or dissatisfaction level. Individual influences might include the amount of information a person has available to him in making a purchase decision, the value of the consumer's time, or the consumer's propensity to complain (Day and Landon, 1977; Bearden and Teel, 1980).

Evaluation Stage. From the pre-purchase search stage, the individual moves into a mental stage. This mental stage is called an evaluation stage. Here the traditional expectancy disconfirmation paradigm will be used to define satisfaction/dissatisfaction. The individual is

depicted as making a comparison between expectations for performance and the consumer's perception of actual performance. Prior experiences are considered as inputs into the formation of an individual's expectations. However, it should be noted, that at this point in the model the consumer is not evaluating a product or service, but is evaluating his experiences in the pre-purchase search stage. The recognition of a complaint reaction from the pre-purchase search step can trigger the process of complaint behavior. If a complaint reaction occurs from activities in the pre-purchase search stage, the consumer would then bypass the choice step in the model and move into the second evaluation stage. The second evaluation stage is considered to be a more extensive evaluation than the first, and includes determination of satisfaction, dissatisfaction, or indifference, and attribution of blame processes (the second evaluation stage will be discussed later in the section).

Choice Stage. If no complaint reaction occurs from the pre-purchase search step, the consumer is perceived as moving into a second behavioral stage called the choice stage. The choice stage simply refers to the process by which the consumer makes a selection among the different brands available. The literature indicates that for most purchases consumers engage in very unsophisticated choice processes and are perceived as being interested in reaching satisfactory choices, rather than optimal choices (Mowen, 1987). However, other purchases often do require more sophisticated choice processes.

Evaluation Stage. From the choice stage, the individual moves into a mental stage called the evaluation stage. This evaluation stage is more involved than the previous evaluation stage. It depicts the individual as making a comparison between the expectations for performance and the individual's perception of actual performance. Again prior experiences are considered inputs into the formation of an individual's expectation. The main difference in this evaluation stage is that this stage pertains to a product experience. Here the consumer is evaluating his product experience. If perceived performance falls below expectations a negative disconfirmation results. If perceived performance exceeds

expectations, then a positive disconfirmation results. A positive/negative disconfirmation, typically is thought to lead to consumer satisfaction/dissatisfaction, respectively (Oliver, 1980; Woodruff, Cadotte, and Jenkins, 1983; Tse and Wilton, 1988). When there is no discrepancy between the actual and expected performance of the product, the result is indifference. No matter what the result of this comparison, the consumer must make determinations of causality. By including attribution of blame in the evaluation stage, the model recognizes that all consumers are motivated to understand their experiences in everyday life. Perhaps one way of understanding experiences comes through people constantly estimating who or what is responsible for, or causes various events (Wilkie, 1986). This process is known as attribution (internal vs. external) or attribution of blame (Folkes, 1984; Oliver and DeSarbo, 1988). It is safe to say that individual influences, along with situational influences will effect this evaluation process. The evaluation stage includes whether or not the consumer is likely to be dissatisfied, and who or what is responsible for this outcome (Lawther, Krishnan, and Valle, 1978). Once the individual decides who or what is responsible for the outcome, the individual then is perceived as considering the costs versus the benefits associated with each consumer reaction (Lawther, Krishnan, and Valle, 1978; Gilly, 1979; Day, 1980). If the benefits of pursuing a particular consumer complaint behavior outweighs the cost of that action then that form of complaint behavior is engaged in. The study of the severity of the magnitude between perceived costs versus perceived benefits has been discussed rather extensively in the literature (Granbois, Summers, and Frazier, 1977; Landon, 1977; Jacoby and Jaccard, 1981; Richins, 1983).

### Conclusion

It should be noted that this complaint behavior model recognizes two dynamic processes that could result in a consumer complaint behavior. First, the individual, no matter what type of purchase decision he makes, must go through some sort of pre-purchase search process. The pre-purchase search stage is influenced by both situational influences and



individual influences. A situation could arise in the search stage that causes a complaint reaction within the consumer. This reaction is typically described as arising out of a comparison between expectations for performance and the perception of actual performance.

This first evaluation process is based only on the pre-purchase search step. If the problem is great enough, a more thorough evaluation is undertaken. In this situation, the following model diagrams the individual as by-passing the choice step and moving into a second evaluation stage where individual influences and situational influences interact with the process of attribution of blame. Once attribution of blame is determined, the consumer engages in a comparison of perceived costs versus perceived benefits involving each type of consumer reaction. If benefits outweigh costs, some form of consumer complaint occurs.

The second dynamic process outlined by this model also begins with the pre-purchase search step. If there are no consumer reaction arising from the pre-purchase search step, the model depicts the individual as moving on to the choice step. Again the choice step is where the individual makes a product decision. Based on the consumer's experience with the product an evaluation takes place. This evaluation could again result in a consumer reaction. As noted earlier, the reaction here is with the product itself and not with the search step. Internal or external attribution of blame is determined and a comparison between perceived costs and perceived benefits are made. If benefits outweigh cost, some form of consumer complaint behavior occurs. In both processes, the model of complaint behavior is viewed as being dynamic as evidenced by a feedback loop.

## Review Of The Organizational Literature

### Satisfaction from The Organizational Perspective

Organizational literature pertaining to satisfaction/dissatisfaction S/D is not as theoretically diverse as the consumer literature. In fact, understanding (S/D) from an organizational perspective is rather straightforward and typically revolves around the constructs

of power, control, and performance (Dahl, 1957; Robicheaux and El-Ansary, 1975-76; Lusch, 1976; Etgar, 1978; Wilkinson, 1979; Dwyer, 1980). Gaski's (1984) review of the organizational literature does find some support for relationships between power, control, and performance and the construct of S/D. When trying to arrive at an exact definition of organizational S/D however, the literature is somewhat unsettled.

This paper proposes two ways in which to define the construct of organizational S/D. First, the domain of the construct of S/D might be obtained from observing how the construct of S/D is measured in earlier empirical studies (eg., Wilkinson, 1979; Dwyer, 1980). Second, as suggested earlier, S/D might be defined by observing its relationship to the constructs of power, control, and performance. Gaski (1984) states that S/D is generally represented by perceptions of the power a subject has over another subject. Robicheaux and El-Ansary (1975-1976) state that understanding S/D is impossible without an understanding of the constructs of control and performance. Therefore, the specification of the domain of S/D from an organizational perspective will follow the Robicheaux, Gaski and El-Ansary's approach.

Power. Power is generally characterized by the following statement: A has power over B to the extent that A can get B to do something that B would not otherwise do (Dahl, 1957). Gaski (1984) states that every definition of the power has inherent in it the proposition that one player has "the ability to evoke a change in another's behavior". A more specific discussion of power usually includes the different bases of power: reward, coercive, legitimate, referent, informational and expert power dimensions (French and Raven, 1959) with the later addition of informational power (Raven and Kruglanski, 1970). The relationship of power and S/D in an organizational setting is typically examined in a dyadic relationship between two or more members of a channel. What is more important is that power becomes a perceptual construct as it relates to one or each of the members of the dyad (distributor, agent, dealer). Various authors have investigated power in an organizational setting (El-Ansary and Stern, 1972; Lusch, 1976; Wilkinson, 1979; Lusch and Brown, 1982). At least one author has looked at power's relationship

to S/D (Wilkinson, 1979). The relationship between power and S/D remains more clear intuitively than empirically, however.

El-Ansary and Stern (1972) looked at power using a perceptual measure, on the premise that "perception of one's own power position in a group positively relates to one's actual power as attributed by other group members" (p. 49). They found no support for their hypothesis. Their model defined "power as the control that one channel member exerts over the selection of particular elements of another channel member's marketing strategy" (p. 51). Dwyer (1980) found support for the idea that channel A's S/D varies directly with B's perceptions of A's power, but no support for that of A's S/D varying with A's perception of B's power source. Lusch (1976) compared coercive and noncoercive power's relationship with conflict and found that noncoercive sources of power tended to reduce conflict, while coercive sources of power tended to increase conflict in a channel setting. Since conflict has an indirect influence on S/D, the implication is that coercive power bases tend to erode the stability and health of distribution channels, thus affecting satisfaction negatively. Hunt and Nevin (1974) also compared coercive and noncoercive sources of power in a franchisor-franchisee relationship. They found that when franchisors used noncoercive power bases, franchisees reported higher levels of satisfaction in their relationship with the franchisor. Wilkinson (1979) also looked at the relationship between coercive power and noncoercive power, and satisfaction. He found only partial support for the difference in relationship between coercive and noncoercive power and satisfaction. However, Wilkinson (1979) found no support for expert, legitimate, and referent power bases leading to increased satisfaction. Therefore, even though authors have stated that satisfaction is directly related to specific types of power sources, exact relationships have only mixed empirical support. It should be noted, though, that the majority of the empirical findings do support these power base relationships with satisfaction (Hunt and Nevin, 1974; Lusch, 1977; Brown and Frazier, 1978).

Control. Control is typically characterized as being inextricable from its relationship with power and leadership. The power of one firm over another determines a firm's position. It is the firm's position that determines leadership, and leadership that determines control. According to Robicheaux and El-Ansary (1975-1976) "a firm's power and tolerance" lead to control. Channel control can then be defined as the "result from the exercise of authority and or other sources of power. Control gives leaders the ability to predict other channel member's behavior and achieve desired outcomes" (Robicheaux and El-Ansary, 1975-1976, p. 20).

Control is considered a way for a firm in a leadership role to improve the performance of other firms, but in this type of situation control can lead to more than one consequence. Control can lead not only to cooperation of channel members, but also to conflict among channel members (Robicheaux and El-Ansary, 1975-1976). Techniques used in gaining cooperation among channel members are typically addressed in the channel management literature and consist of the development of superordinate goals, conciliation and mediation, arbitration, etc.

Wilkinson (1979) looks at the relationship of control with satisfaction. Overall, he found a strong negative relationship between control and satisfaction. However, these results must be qualified. Typically, if a firm has control over another firm, then the controlling firm is going to express satisfaction with the performance of the firm being controlled. This results because the controlling firm is really judging the effect of its own policies on that firm.

A negative relationship between control and satisfaction is typically the norm when one is measuring the controlled firm's satisfaction level. Usually, the controlled firm will exhibit lower levels of satisfaction as the level of control by the other firm increases. Dwyer (1980) shows that Firm A's level of satisfaction decreases as the level of Firm B's control over A's marketing decision variables increases. Dwyer (1980) also found a positive relationship between satisfaction and a firm's ability to exercise self-control over marketing decisions. However, forced control does not always lower satisfaction. This is especially true when some firms invite the control of other firms. This might be the case in a situation where contractual relationships

exist. For example, a franchisee will agree to do business under certain guidelines of the franchisor to improve overall performance. In a sense, the contractual agreement is both forced control and invited control. In a similar situation, Etgar (1978) found that manufacturers in contractual channels may rely heavily on the retailer for assistance in training sales people, store management decisions, store layout decisions, and in developing leads for future sales. This reliance can be viewed as a source of control originating from the retailer. Therefore, depending on the situation, depending upon the perception of the party doing the controlling, and depending upon the perception of the firm being controlled, satisfaction could increase or decrease. From this dialogue, control is defined as the exercise of authority and/or sources of power by one firm over another firm who is tolerant of their authority and/or power. This tolerance will be the basis of a channel leadership role, which should result in increased satisfaction for the channel members.

### Performance

Performance is a multi-dimensional construct that includes aspects such as effectiveness, equity, and efficiency, and profitability. Robicheaux and El-Ansary (1975) view control, satisfaction, and performance as "inextricable in channel relationships" (p. 25). Achieving stated goals concerning performance is thought to lead to satisfaction among channel members.

Dwyer (1980) investigates the construct of performance and its relationship to satisfaction. He theorized and found support for the proposition that effective and efficient economic performance creates satisfaction. Dwyer's point of view is that cooperation produces effectiveness and efficiency in a channel environment. For a healthy channel environment to exist, cooperation must exist. When cooperation among channel members exists, higher levels of satisfaction are achieved.

Lusch (1976) looks at channel conflict and its impact on performance in a retail setting. He theorized that in a franchisor-franchisee relationship, as conflict increased, franchisee

performance would decrease. Lusch (1976) found support for this hypothesis. In situations where the franchisee frequently disagrees with the franchisor, there is decreasing performance on the part of the franchisee in the form of return on assets and asset turnover. From these two studies, clearly performance affects satisfaction.

### Research Propositions

From this discussion, this author will posit satisfaction to be a function of power, control, and performance.

P1- Satisfaction will increase in a channel setting as power demonstrated in a channel tends toward forms of noncoercive power.

P2- Satisfaction will increase in a channel setting as forced control decreases in a channel.

P3- Satisfaction will increase in a channel setting as performance among channel members increases.

### Comparison of Consumer and Organizational Satisfaction Perspectives

After reviewing the construct of S/D from a consumer and organizational perspective, one must ask whether justification exists for the dichotomization of these two streams of research. It is safe to say that any initial reaction to this premise would be a whole hearted -- YES. From the preceding review, one recognizes that the theoretical backgrounds presented as justifications for S/D from a consumer perspective are quite different from the constructs of power, control, and performance that lead to S/D from an organizational perspective. In addition, the two sets of literature are so different that few marketing scholars would advocate the need to drop one of these perspectives from the literature.

However, in spite of these differences, S/D from an organizational perspective can make use of the theoretical framework put forth in the consumer literature. This suggestion has been also been made by Trawick and Swan (1981). The expectancy/disconfirmation paradigm (EDP) discussed earlier is robust enough to be a theoretical perspective useful in explaining S/D from

both perspectives. It is possible to use this theoretical perspective as a framework to explain how each determinant (power, control, and performance) from an organizational perspective affects S/D.

For example, one of the major findings concerning power and satisfaction is that the use of noncoercive power is more likely to lead to a satisfied channel member than is the use of coercive power. In addition, power is defined as the ability to control the selection of particular elements of another channel member's marketing strategy. It is appropriate to point out that the idea of power, or the idea of control does not lead to a dissatisfied channel member, but the inappropriate use of power or control does lead to a dissatisfied channel member. Therefore, what becomes satisfying or dissatisfying among channel members is the appropriate or inappropriate use of power and control as measured from their perspective. El-Ansary and Stern (1972) defined power as "perceptions of one's own position in a group as it relates to one's actual power as attributed by other group members." To this author, the EDP is a perfect framework within which to couch the traditional determinants of organizational S/D. Just as consumers measure S/D by comparing an actual product's performance with its expectations, so can a firm measure S/D by comparing its perception of its position in an industry with expectations of its position in an industry. If its position is contrary to where it wants to be, then dissatisfaction results. If its position is in line with its expectations, then satisfaction results. It is possible to say that in many cases, consumer's perceptions of reality are distorted (ie. assimilation theory; contrast theory). In addition, a firm's perceptions of reality can also be inaccurate. In this sense, a consumer and his/her perceptions or a firm and its perception may be severely affected by their expectations. This may explain why uses of power, control, and certain performance levels do not always lead to S/D. Some channel members may want to be subject to a certain amount of power and control and achieve a certain level of performance, whereas other channel members may not. Whether a consumer's expectations are met or whether a firm's expectations are met concerning the actual performance is really what is being asked in the determination of S/D from

either perspective. Therefore, when addressing the construct of organizational satisfaction/dissatisfaction in this paper, it will be cast in an EDP transplanted from the consumer behavior literature.

### The Construct of Organizational Complaint Behavior

Complaint behavior from an organizational perspective is thought to be a direct result of a dissatisfying experience. Unfortunately, the organizational literature does not formally conceptualize and only briefly addresses the complaint behavior construct (Williams and Gray, 1978; Trawick and Swan, 1979; Williams and Rao, 1980; Trawick and Swan, 1981, 1982; and Barksdale, Powell, and Hargrove, 1984). Conflict and conflict management, discussed in the organizational literature, could be perceived as post-satisfaction/dissatisfaction (S/D) processes. However, to make complete the process of understanding responses to dissatisfying experiences, there must be some recognition of how channel members respond to negative encounters with other channel members. Therefore, formalization of the construct of complaint behavior in a channel setting will be suggested. Before suggesting a complaint behavior construct, this section will describe the existing framework used to conceptualize post-S/D processes in the organizational literature.

As stated earlier, power and control are perceived from an organizational perspective to be determinants of the (S/D) construct. Conflict is conceptualized to be a post-satisfaction process (Robicheaux and El-Ansary, 1975). To try to avoid the possible detrimental effects of conflict, conflict management mechanisms have been conceptualized. Each of these constructs, conflict and conflict management, can be considered post-S/D processes. Our discussion of a framework will begin with conflict.

#### Conflict's Effect on Complaint Behavior

As suggested by Lusch (1976), conflict in a general sense can be thought of as "overt



behavior"; "a feeling of stress, tension, or hostility"; and/or an "antecedent condition of conflictful behavior" (p. 383). More specifically, channel conflict is usually defined as the "tension between two or more social entities (individuals, groups, or larger organizations) which arises from incompatibility of actual or desired responses" (Raven and Kruglanski, 1970, p. 70).

Specific causes of conflict discussed in the literature are categorized into the following:

(1) goal incompatibility, (2) domains, and (3) perceptions (Rosenberg and Stern, 1970). In quoting Biddle (1964), Rosenberg and Stern defined goals as a "cognition consisting of a value held by a person which maps an end trace for the behavior of an actor in a context" (p. 44). Disagreements on what constitutes an important goal to pursue leads to conflict. Webster (1976) found that distributors were at issue with each other over a number of important goals. For example, two of the most common conflicts among distributors resulted from disagreements on the quality of distributor management, and philosophical questions pertaining to obligations and loyalty to the customer or the supplier.

Conflict is a multi-dimensional construct and can be classified into stages that include (1) latent conflict, (2) perceived conflict, (3) felt conflict, (4) manifest conflict, and (5) conflict aftermath (Pondy, 1967). Latent conflict is considered to be the underlying foundation for later stages of conflict and centers on the pursuit for resources among channel members, the pursuit of independence, and goal incompatibility. Latent conflict exhibits itself in the various networks of relationships among channel members, where one channel members' role becomes incompatible with another members' role. Perceived conflict is conflict that is perceptual in nature, and not dependent on latent conflict dimensions. It typically manifests itself through the everyday misunderstandings that arise through communication between channel members. Felt conflict is conflict that is demonstrated by tension, anxiety, and disaffection (Gaski, 1984). Perceived conflict differs from felt conflict through the personification of conflict. Pondy states "A may be aware that B and A are in serious disagreement over some policy" (p. 303). But if this disagreement makes no difference in the way A feels or reacts to B, then only perceived conflict

exists. If A becomes tense in the relationship with B and this effects A feelings for B, then felt conflict is manifested. It is felt conflict that typically demonstrates itself through withdrawal and noncommunication. Manifest conflict is behavior by one channel member that impedes the accomplishment of another member's goals. Pondy (1967, p. 303-304) describes this type of conflict to consist of "open aggression", "physical and verbal violence", and "deliberately and consciously designed" action to frustrate the accomplishment of other channel members' goals. Finally, conflict aftermath is described as "post-conflict conduct, resolution or suppression" (Gaski, 1984, p. 11).

### Conflict Management

The second construct considered as a post-S/D process in this framework is the construct of conflict management. Numerous methods have been suggested to handle various types of conflict. Typically these strategies can be exercised to help try to prevent, manage, or resolve the dysfunctional effects of conflict. These conflict management mechanisms are the following: supraorganization mechanisms, interpenetration mechanisms, boundary mechanisms, and bargaining and negotiation mechanisms (Stern, 1970). Under each of these overall categories of mechanisms, there are several strategies suggested to resolve conflict. It is beyond the scope of this paper to discuss each strategy separately. However, a simple definition will be given for each of the categories of conflict management mechanisms.

According to Stern (1970) supraorganizational mechanisms of conflict management are most useful when the situation features a high degree of interdependence and interaction among channel members. Bargaining and negotiation methods of conflict management are most useful when there is very little interdependence and interaction among channel members. Supraorganizational methods are methods that consist of establishing superordinate goals, employing conciliation and mediation, submitting to arbitration, and finally establishing special purpose mechanisms. Each method of conflict resolution works to try to establish some type of common ground because each member of the channel cannot achieve its goals without the help of

the other channel members. Therefore, communication, negotiation, and problem solving become very important to establish an effective resolution.

Interpenetration mechanisms consist of co-optation, exchange of persons programs, joint membership in trade associations, and education and propaganda (Stern, El-Ansary, and Brown, 1989). Interpenetration mechanisms are designed to create interaction in a situation where interaction is unlikely. These mechanisms create situations in which organizations become involved in similar events, causes, and occasions. For instance, the exchange of persons program allows companies to interchange employees at different levels of the company to provide an understanding of the other companies operations and needs. A greater spirit of cooperation is thus proliferated.

Boundary mechanisms are sometimes likened to channel diplomacy. Boundary mechanisms take place when "channel relations are conducted, adjusted, and managed by personnel operating at the boundaries of channel member organizations" (Stern, El-Ansary, and Brown, 1989, p. 378). The job of diplomacy is to establish policies of operation between channel members, conduct negotiations between members when conflict arises, represent their company's interest when conflict arises, etc. Boundary mechanisms are used to help in the coordination of channel activities, to avoid conflict before it arises.

Finally, bargaining and negotiation mechanisms are most often used at the lowest levels of perceived interdependence. Bargaining is defined as "negotiation of an agreement for the exchange of goods or services between two or more organizations. Negotiation is a process through which the parties interact in developing potential agreements to provide guidance and regulation of their future behavior" (Stern, 1970, p. 133). According to Stern, El-Ansary, and Brown (1989) these mechanisms are most useful in solving conflicts regarding relevant domain of channel member organizations.

Comparison and Proposal of Complaint Behavior  
from an Organizational Perspective

To complete the framework that conceptualizes the understanding of responses to dissatisfying experiences, there must be some recognition of how channel members respond to negative encounters with other channel members. To do this, the formalization of the construct of complaint behavior is suggested. Power, and control are perceived to be antecedents of the (S/D) construct (Robicheaux and El-Ansary, 1975-1976; Gaski, 1984). Conflict is conceptualized to be a post-(S/D) process (Robicheaux and El-Ansary, (1975-1976). But before conflict can take place there must be some form of complaint behavior. In other words, if some form of complaint behavior does not exist in a channel setting, then how can conflict take place. Channel members must voice their displeasure about a dissatisfaction in order for conflict to take place or in order for a solution to take place.

Complaint behavior has only been diagrammed twice in a conceptual or empirical model dealing with industrial relationships (Williams and Rao, 1980; Trawick and Swan, 1981). It has never been formally conceptualized in the organizational literature. Also, in each of the two above attempts a detailed description of complaint behavior was not embarked upon. Robicheaux and El-Ansary (1975) diagram the antecedents of the (S/D) construct, and even diagram conflict as a post-(S/D) construct. In addition, channel management mechanisms are thoroughly described in the organizational literature. Unfortunately, no formalized construct exists that describes and defines specific responses to a dissatisfying experience between channel members. Channel members must communicate in some fashion, either verbally or nonverbally in order for conflict to exist. No representation of that communication is modeled in the organizational literature.

This argument for the construct of complaint behavior in the organizational literature does take on a philosophical overtone. For example, when one says the tree still makes a noise in the forest when it falls down, even though no man was there to hear it, so does complaint

behavior always precede conflict. Just as the tree cannot fall without noise, there can be no conflict until the manifestation of dissatisfaction occurs. Complaint behavior is thought to be an antecedent to the post-S/D process of conflict. Without complaint behavior the conceptualization of channel relationships is not complete.

In addition to the above argument for complaint behavior, it is feasible to view complaint behavior in a organizational setting as just one of the many post-(S/D) processes. For example, in the consumer literature, processes that take place after the (S/D) construct are called post-purchase processes. These constructs include cognitive dissonance, complaint behavior, product disposition, and product use. It might be helpful to view complaint behavior from an organizational perspective as just another post-(S/D) process. Other post-(S/D) processes from an organizational perspective might include conflict, conflict management, and performance.

Finally, complaint behavior from an organizational perspective will follow the same conceptual context as it did in the consumer literature. Complaint behavior will be defined as "an action taken by a channel member that involves communicating something negative regarding an experience with another channel member, to either some third-party organizational entity, or to that channel member, including any action that leads to a so-called no action." The same qualification that applies to the adopted consumer definition of complaint behavior also applies to the adopted channel definition of complaint behavior.

### Organizational Responses to Dissatisfaction

#### Short Review

With this definition conceptualized, it is important to investigate complaint behavior responses by channel members. Since complaint behavior has only been briefly introduced to the organizational literature, a taxonomical perspective of those responses will help further our understanding of the construct. In order to guide our discussion, this author will rely heavily on

the logic suggested by Fern and Brown (1984) and on one study that has looked at very general responses to dissatisfying experiences using an organizational setting (Brown 1979).

First, it should be noted that Fern and Brown (1984) argue that the consumer/organizational dichotomy distinction is unjustified for several reasons: (1) "it is neither based in theory nor empirically supported, (2) it establishes artificial intradisciplinary boundaries which inhibit the development of marketing theory, (3) it interferes with the collection and dissemination of marketing knowledge, and (4) it stifles creativity in developing effective marketing strategies" (p. 68). Fern and Brown (1984) also recognize other authors such as Sheth (1974), Zaltman and Wallendorf (1979), Webster and Wind (1972), and Wind (1978) who argue against complete separation of the two literatures. Given this position, this author will create a taxonomical schema of organizational complaint behavior relying heavily on the consumer literature, in addition to the study by Brown (1979).

Brown (1979) looked at various responses of auto dealers to the manufacturer resulting from a dissatisfying experience. The following is a listing of those responses:

TABLE 2-5

RESPONSES OF NEW CAR DEALERS TO VARIOUS DISSATISFYING EXPERIENCES

- 
1. Deciding to live with the Manufacturer's Wishes.
  2. Discussing the Issue with the Manufacturer.
  3. Appealing through the Factory Referee.
  4. Appealing through the State Automobile Dealer's Association.
  5. Appealing through the National Automobile Dealer's Association.
  6. Threatening to Sue the Manufacturer.
  7. Actually Suing the Manufacturer.
- 

Source: Brown, James R. (1979), "Methods to Conflict Resolution: Some Empirical Results," in *Educators' Conference Proceedings*, Neil Beckwith et al. eds., Chicago, Ill: American Marketing Association, 495-499.

Each of these responses applied to various categories of dissatisfying experiences. These experiences were specific responses to a dissatisfying experience related to dealer issues, factory issues, and vehicle marketing issues. Below is a Table 2-6 categorizing a partial listing of these issues.

TABLE 2-6

## CATEGORIZATION OF ISSUES

---

Dealer Issues-Dealer has primary decision authority.

1. number of mechanics
2. number of salesmen
3. physical facility
4. manufacturer provided management assistance
5. parts inventory

Factory Issues- Manufacturer has primary decision authority.

1. cooperative advertising
2. manufacturer advertising
3. manufacturer's allowances for vehicle preparation
4. dealer discounts
5. manufacturer's reimbursements for vehicle warranty service

Vehicle Marketing Issues-Issues involving the marketing of new cars.

1. vehicle allocation
  2. vehicle inventory
  3. vehicle delivery
-

The complaint responses made by these 1000 dealers carrying domestic cars in Illinois, Indiana, Kentucky, and Ohio provide some interesting similarities to consumer complaint behavior.

#### Similarities Between Organizational and Consumer Responses

First, it is possible to identify a taxonomical hierarchy of responses from Table 2-5. This hierarchy which starts with deciding to live with the manufacturer's wishes and ending with actually suing the manufacturer is very much like the hierarchy perceived in the consumer literature (Day and Landon, 1977, Lawther, Krishnan, and Valle, 1978). Each response taken by the dealers could very well be described as a low level of action, and possibly leading to some higher level of action. In addition, these responses could be diagrammed to form a taxonomical hierarchy consisting of levels. At each level a question is asked and the response to that question dictates the particular course of action by the dissatisfied dealer.

Third, it is important to recognize that at least two dimensions of responses are demonstrated in Table 2-5. Behavioral responses correspond to responses #2-7 of Table 2-5, while nonbehavioral responses correspond to response #1 of Table 2-5.

Fourth, it is necessary to recognize the possibility of having a response that is neither behavioral nor nonbehavioral. The indifference dimension must also be conceptualized as a possible complaint behavior response in the organizational literature, just as it is recognized in the consumer literature (Day, 1977, 1980).

Fifth, the construct of S/D also must be recognized as a possible antecedent to complaint behavior. Some consumers are chronic complainers. They are not dissatisfied with their product experience, but just like to complain. Because organizations consist of individuals, this predisposition to complain will also be present in companies.



Sixth, it is possible to translate the typical responses that have been given for a dissatisfying experience from a consumer perspective, into valid responses to a dissatisfying experience from the organizational perspective. Below is Table 2-7 listing the items used in the consumer literature to measure complaint behavior (left side of column). On the right side of the column are those items translated into relevant organizational responses to a dissatisfying experience. This should give the reader some indication of similarity between the two perspectives.

TABLE 2-7

TRANSLATION OF CONSUMER RESPONSES INTO RELEVANT ORGANIZATIONAL RESPONSES

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Consumer	Organizational
1. Forget about the incident and do nothing.	1. Forget about the incident and do nothing.
2. Definitely complained to the store manager on your next trip.	2. Definitely complain to the wholesaler or manufacturer about experience.
3. Decide not to use that repair shop.	3. Decide not to deal with that wholesaler or manufacturer again.
4. Go back or call the repair shop immediately and ask them to take care of your problem.	4. Call the wholesaler or retailer immediately and request that they take care of the problem.
5. Speak to your friends and relatives about your bad experience.	5. Decide to speak to business associates about dissatisfying experience.
6. Convince your friends and relatives not to use that repair shop.	6. Decide to convince local organizations not to deal with that wholesaler or retailer again.

TABLE 2-7 (Continued)

7. Complain to a consumer agency and ask them to make the repair shop take care of your problem. situation.	7. Decide to complain to a trade association and ask them to make wholesaler or retailer resolve
8. Write a letter to the local newspaper about your bad experience.	8. Decide to write a letter to a local trade press about dissatisfying experience.
9. Report to the consumer agency so that they can warn others.	9. Report to consumer agency so they can warn others.
10. Take some legal action against repair shop.	10. Take some legal action against wholesaler or retailer.

Singh (1988) uses each item in the left hand column to measure complaint behavior from a consumer perspective. As one can see, each item can be easily translated into a relevant response from an organizational perspective (Right hand column). This comparison should help convince the reader that the construct of complaint behavior is the same from both perspectives.

Finally, Schary and Becker (1978) offer a listing of responses that channel members might make to situations where the stockout of goods take place. These responses might be classified as complaint behavior. Each of these responses does not really express (S/D), but they do demonstrate indifference as an alternative behavior in response to a particular experience and indifference is an accepted complaint response in the consumer literature (Day, 1977, 1980). The following is a list of the responses suggested by Schary and Becker (1978): (1) The customer says, "Call me when the product's in; (2) The customer buys a substitute product from same vendor, which could yield a higher or lower profit for the vendor; (3) the customer orders the product from vendor; and/or (4) the customer buys from the competitor. In each situation except 4, the customer does not seem to even consider whether or not he/she is satisfied or dissatisfied

with the situation. The customer seems to unconsciously make the decision to wait for the product to come in, to order something other than what they really want, or to order the product from the vendor not considering an alternative vendor providing the same product. Given these reasons, complaint behavior from an organizational perspective is perceived as being a three dimensional, three level taxonomy of responses. It can be diagrammed in the same manner as in the consumer literature.

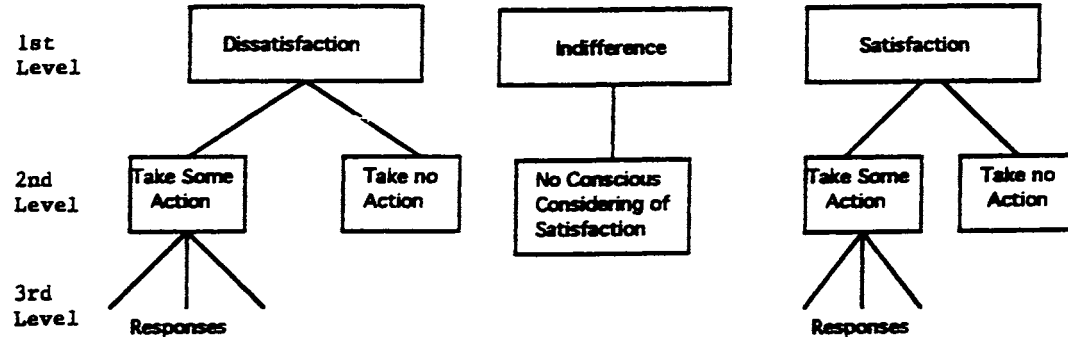


Figure 2-4. Classification Scheme of Complaint Behavior

#### Determinants of Organizational Complaint Behavior

As stated earlier, complaint behavior from an organizational perspective has only been briefly mentioned. However, it is possible to understand some of the determinants of this organizational complaint behavior by understanding some of the determinants of its antecedent constructs, namely satisfaction, dissatisfaction and conflict. Robicheaux and El-Ansary (1975) have conceptualized a general model of channel member interaction in which they acknowledge that each channel member must assume a certain role in the channel of operations. When role

behavior of a channel member deviates from the specified role prescription, then potential for channel conflict is created. Robicheaux and El-Ansary (1975) emphasized that numerous situations could cause channel conflict that includes "uncontrollable and fluctuating situations surrounding interactions between channel members, incompatible organizational objectives of deviating channel members, miscommunication between channel members, and differing channel member personal expectations" (p. 19). It might be possible to place some of these determinants into categories similar to the designations used in the consumer literature.

One possible categorical division has been offered by Etgar (1979), who suggests that there are two sources of behavioral conflict: attitudinal and structural determinants. "Attitudinal sources of conflict are usually associated with disagreements among channel roles, perceptions, and channel communications," while "structural factors are usually reduced to goal incompatibility, drives for autonomy and control and fights over scarce resources" (Etgar, 1979, p. 64-65). These above designations may be modified making use of the consumer perspective divisional names. The attitudinal category of determinants for conflict by Etgar corresponds to the individual category of complaint behavior determinants in the consumer marketing literature. Factors such as roles, perceptions, and communications are most clearly related to a micro or individual type labeling. The structural category of determinants for conflict used by Etgar seems to correspond to situational factors that determine complaint behavior in the consumer market. Factors such as drive for autonomy and control and fights over scarce resources are most clearly related to more of a macro situational type labeling. Therefore, the same subdivision titles designating determinants of complaint behavior in the consumer market will be used for designating determinants of complaint behavior in the organizational market. The individual (attitudinal) variables that have been identified as determinants of S/D and conflict are the following: (1) goal incompatibility; (2) domain dissensus; and (3) expectations and perceptions of reality, and (4) communications. The situational (structural) variables that have been identified

of reality, and (4) communications. The situational (structural) variables that have been identified as determinants of S/D and conflict are (1) amount of control; (2) type of power; and (3) dependence.

Before proceeding with this section, it should be noted that there is some precedence, in addition to the logical argument presented above, to use the individual and situational designations as labels for determinants of satisfaction/dissatisfaction and conflict. For example, in a conceptual article by Williams and Rao (1980), these authors use individual and situational designations to label antecedents to satisfaction/dissatisfaction in their industrial buyer complaining behavior model.

### Individual Determinants

Goal Incompatibility. Webster (1976) identifies various factors that represent common issues that typically cause conflict between manufacturers and industrial distributors. Of these issues some include (1) "how to handle large accounts, (2) required inventory stocking levels for the distributor, (3) the quality of distribution management, (4) overlapping distributor territories, (5) the size of distributor's margin, and (6) the philosophical question of whether the distributor's primary obligations and loyalty are to the customer or to the supplier" (Stern, El-Ansary, and Brown, 1989, p. 361). Each of these issues can be characterized as problems that hinge from disagreements between channel members over their organization's goals or objectives. Each member has a desire to be profitable and successful. Therefore, it is not unlikely that dissatisfaction and conflict will result from fundamental disagreements concerning goal setting within the channel itself. Rosenberg and Stern (1970) reiterate Stern and Heskett (1969) by saying that most of the conflict that takes place between channel members hinges upon the interdependence forced upon them in response to their overriding desire for profitability and success. The conflict resulting from this interdependence usually manifests itself in the form of goal incompatibility, role incongruence and dysfunctional domain definitions along with differences in the perception of reality.

It is not that goals are the cause of conflicts, and thus are inherently bad. Quite the contrary, goals are necessary and perform numerous functions for the organization. For instance, goals and objectives help an organization define itself in its environment. It is these objectives and goals that allow organizations to justify their existence in the eyes of their publics. It is the setting of goals that allows a firm to coordinate decisions and the decision making process. Stated goals direct the attention of employees to desirable standards of behavior. Unfortunately, all too often it is not the stated goals that tend to cause conflict among channel members, but the unstated and intangible goals that tend to cause the most conflict and dissatisfaction among channel members. Rosenberg and Stern (1970) point out that it is the goals that are not written down and/or not stated as official objectives, that tend to cause the dissatisfaction and conflict between organizations. These authors qualify by saying that it is the "operative goals that are embedded in major operating policies and in the daily decisions of personnel" (p.44) that tend to cause the problems. Finally, Rosenberg and Stern (1970) point out that vertical marketing systems do try to establish overall "channel-wide goals" for the benefit of the whole channel. However, in the establishment of these goals, each independent member of the channel tends to establish their own goals. "Goals between and among vertically linked firms are often different, and may be incompatible and even mutually exclusive" (Rosenberg and Stern 1970, p. 44). Thus firms are all too often faced with the problem of "one firm's goals comprising another firm's constraints so that conflict results" (p. 44).

Cadotte and Stern (1979) define a goal as a "future position an organization wishes to occupy and exists only if the desired position differs from the actual or expected state at the inception of action" (p. 131). Their definition of goal brings no surprises. However, in defining goal incompatibility, these authors bring in a second aspect. First, they agree that incompatibility is a function of different goals among channel members. But in addition to this, they introduce values of channel members pertaining to goals as part of defining goal incompatibility. According to these authors, goal incompatibility could represent a situation where unattainable

goals exist. For instance, the goal of trying to increase market share by one firm is unattainable when another channel member has no motivation to grow and to support that firm in trying to reach new heights in market share. This idea is similar but not quite the same as having two goals diametrically opposed to each other. Their definition of goal incompatibility seems to also include a conscious defiance component on the part of one member towards another. Cadotte and Stern (1979) cast a different light in their definition of goal incompatibility by reiterating Thomas (1973) by saying that the level of goal incompatibility depends not only on the degree to which goals are incompatible but also on the relative value of these goals to the organizations in the system. Therefore, Cadotte and Stern (1979) describe this difference in the definition of goal incompatibility as being centered on the values of each channel member in what they think important.

To Etgar (1979) goal divergence is defined as the "source of conflict when two parties who must cooperate on some joint activity are unable to reach a consensus on a concerted action" (p. 65). In defining goal divergence, Etgar (1979) categorizes goal divergence into the structural category of causes for conflict. Etgar states that structural causes of conflict reflect clashes of interest among channel members. He also includes drive for autonomy, and fights over scarce resources as other sources of structural conflict.

This paper will categorize goal divergence into the attitudinal or individual category. Justification for doing so comes from Cadotte and Stern's (1979) definition of goal incompatibility, which includes elements of incompatibility and values. It is the value judgment placed on a goal that allows one to place the area of goal incompatibility into the individual category of determinants. Finally, Eliashberg and Michie (1984) define goal incompatibility as "the degree to which the various specific goals are incompatible with the member's business philosophies, and hence are unattainable as a result of the decisions made by the channel members" (p. 77). In their article, these authors note that the greater the goal incompatibility, the greater will be the likelihood of conflict.

Domain Dissensus . In addition to goal incompatibility, domain dissensus is suggested as a cause of channel member dissatisfaction or conflict (Rosenberg and Stern, 1970; Cadotte and Stern, 1979; Stern, El-Ansary, Brown, 1989). Domain dissensus takes place when there are disagreements between channel members concerning the various markets being served by the channel members, the products being carried by the channel members, or the duties being performed by the channel members (Stern, El-Ansary, Brown, 1989). Rosenberg and Stern (1970) state that domain dissensus is really a disagreement as to what particular role each organization will play in the served population. The role each member plays must be arrived upon by the process of domain consensus. To arrive at domain consensus, common expectations must be maintained by each channel member. A domain "defines a set of expectations for members of an organization and for others with whom they interact, about what the organization will or will not do" (Cadotte and Stern, 1979, p. 132). This definition hinges upon each channel member participating in its agreed role within the channel. Cadotte and Stern (1979) also add to this definition of domain, the relative value of the domain to the participants in the channel. It is this relative value component that allows domain dissensus to be placed into the individual category of determinants to dissatisfaction or conflict.

Expectations and Perceptions of Reality. Rosenberg and Stern (1970) identify perceptions of reality as a potential contributor to dissatisfaction and conflict. According to these authors, it is the differing interpretations of information that cause conflict. Based upon a number of factors that include differences in goals, differences in assumptions, and differences in sources of information, conflict can arise as a result of the interpretations of information. This information assessment leads to varying degrees of differences in channel member's perceptions of reality. Robicheaux and El-Ansary (1975) acknowledge that personal expectations, values, and frames of reference are potential precursors for the use of control. If different channel members refuse to play their appointed role within the channel, either due to their differing perceptions of reality or to their differing expectations of other participating channel members, the result is some



form of mandatory control placed on that channel member by the other channel members. According to Robicheaux and El-Ansary (1975), different forms of control can lead to conflict and dissatisfaction in a channel member. Etgar (1979) states that differing expectations typically pertain to differences in information available, differences in information processing capacities, or differences in experiences of the different channel members can also cause dissatisfaction. Cadotte and Stern (1979) agree that perceptions as a cause of conflict is due to "differences in perceptions of reality, attributed to the technical problems of communication, types of information, or types of information sources" (p. 133). Values of the channel member again play a part in their definition of perception. Eliashberg and Michie (1984) discuss differing perceptions as a result of the "perceiver's information processing capacity, especially in terms of the number of information items to be processed" (p. 78). These authors discuss many reasons for these differing perceptions of channel members; channel members may not be aware of other members' motivations or of their intents, and problems can be involved with the communication process.

Communications . The last individual variable addressed in this section that could lead to dissatisfaction or conflict is communications among channel members. Etgar (1979) states that communication between members is necessary to transmit information about a variety of activities taking place, including the introduction of new product offerings, promotional campaigns, technical innovations, etc. It is "ineffective communications that often lead to misunderstandings, incorrect strategies, and mutual feelings of frustration" (Etgar, 1979, p. 65). In addition, the "use of unknown symbols, concepts and ideas, desire for secrecy, lack of motivation for information transmission, and of standardized information processing procedures can all contribute to ineffective communications" (p. 65). Robicheaux and El-Ansary (1975) acknowledge the opportunity for miscommunication to take place in channel members. Overall, any number of reasons can arise to cause miscommunication. Stern, El-Ansary, and Brown (1989) cite Grabner and Rosenburg, et al. (1969) for a variety of causes of channel

miscommunication. These include communication overload, secrecy, poor timing, and perceptual differences among channel members. In addition to these factors, Trawick and Swan (1982) found that frequency of complaining is effected by (1) "whether or not an organization has an official policy and procedure for complaining; and (2) how well established the policy is" (p. 81). Given these examples, problems resulting in miscommunications in a channel setting are not fundamentally different from any other type of miscommunications that takes place, whether they be individual situations, or channel member situations.

Implications of Individual Determinants. The organizational literature identifies possible determinants of complaint behavior among channel members. The first category of determinants takes on an individual or micro perspective and thus has been labeled "Individual Determinants of Organizational Complaint Behavior". The implications from this literature with regards to the organizational individual difference variables are the following: (1) channel members who tend to be unable to arrive at mutual beneficial goals, especially in association with other channel associates tend to exhibit complaint behavior; (2) channel members who tend to be unable to arrive at mutual acceptable markets served, products produced, or duties performed in association with other channel associates tend to exhibit complaint behavior; (3) channel members who are unable to arrive at mutually acceptable expectations and perceptions of reality in association with other channel associates, tend to exhibit complaint behavior; and finally (4) channel members who are unable to arrive at mutually acceptable lines of communication in association with other channel members, tend to exhibit complaint behavior.

#### Situational Determinants

As stated earlier, three situational factors have been identified as determinants of S/D and conflict. These situational factors include (1) amount of control; (2) type of power; and (3) dependence.

Amount of Control. Robicheaux and El-Ansary (1975) conceptualize control as a major determinant of conflict. They recognize that control of one channel member over another channel member's decision making ability is potentially a source of dissatisfaction and conflict. This is particularly true when one channel member tends to step over or misuse their given role within the channel.

Empirical research has investigated the relationship between control and S/D. For instance, Wilkinson (1979) looked at relationships between suppliers, distributors, and retailers in a channel setting. He theorized that "a firm's satisfaction with other channel member's performance is inversely related to the control to which it is subjected by those channel members" (p. 80). Unfortunately, Wilkinson (1979) found little support for this hypothesis. Only in the relationship between suppliers and manufacturers did Wilkinson find an inverse relationship between satisfaction and control. He did find a positive relationship between retailers and manufacturers with respect to satisfaction and control. Wilkinson noted that in the retailer's case, satisfaction did not depend on the amount of control exerted by the manufacturer. In fact, retailers often want to be under the control of manufacturers to obtain the manufacturers' expertise in dealing with the product. However, Wilkinson (1979) makes a very important point in this article. Basically, he states that the relationship between satisfaction and control is strongly dependent on the amount of control one firm has over important policy issues of the controlled firm. In other words, control typically leads to satisfaction in cases where it is desired by the firm. Control will usually lead to dissatisfaction when it is not desired by the firm. In addition, if control is being exerted over sensitive policy issues, then the controlled firm will tend to be dissatisfied in its relationship with the controlling firm. Dwyer (1980) investigated this relationship and found satisfaction increased as the firms' ability to exercise self-control over marketing decisions increased. However, depending on the situation, depending upon the perception of the party doing the controlling, and depending upon the perception of the party

being controlled, satisfaction could increase or decrease. Overall conclusions by Dwyer (1980) were similar to Wilkinson's (1979).

Type of Power. A second variable thought to affect satisfaction level is type of power. Research in channel power tends to center on the different bases of power, including informational, reward, legitimate, referent, expert, and punishment power dimensions. Informational power is defined as "the extent that B perceives A as providing information not previously available to B, or when A points out consequences of actions B may not have been aware of, A has information power over B" (Stern, El-Ansary, and Brown, 1989, p. 333). Reward power is grounded in the belief that channel member A has the ability to reward channel member B, typically in return for conforming to channel member A's requests for some type of action (Stern, El-Ansary, and Brown, 1989). Legitimate power is derived in a channel setting from some type of obligation that channel member B has with channel member A. In other words, channel member A has the right to expect cooperation from channel B because of its authority over B. Referent power arises when channel member B wants to be identified with channel member A, typically because of channel member A's reputation. Expert power arises from "B's perception that A has special knowledge or skill" (Stern, El-Ansary, and Brown, 1989, p. 332). Finally, punishment power is a type of coercive power and is "based upon B's expectation that A will punish him if he fails to conform to A's influence or requests" (p. 331). Kasulis and Spekman (1980) theorize that the use of coercive type power tends to be more productive in producing the desired behavior in other channel members, but coercion tends to produce only temporary behavioral changes. Kasulis and Spekman (1980) believe that the use of coercive power is more likely to produce an attitude of belligerence in the controlled firm.

Empirical research has investigated the relationship between different types of power and satisfaction/dissatisfaction and conflict. Hunt and Nevin (1974) studied the relationship between coercive and noncoercive sources of power and satisfaction in 850 franchisor-franchisee relationships. Two hypotheses were tested. First, Hunt and Nevin (1974) theorized that

franchisors would rely primarily on coercive power bases to achieve power over their franchisees. Second, they theorized that franchisors who tended to use a noncoercive power base to achieve power over their franchisees would have more satisfied franchisees than those who tended to use coercive power bases. The first hypothesis was supported in that franchisors were found to use coercive power bases more often than noncoercive power bases to achieve the desired behavioral changes. In addition, Hunt and Nevin (1974) did find that when the franchisor made use of coercive power it was inversely related to the satisfaction of the franchisee. They found that uses of noncoercive power bases were directly related to the satisfaction of the franchisee. Additional findings of Hunt and Nevin (1974) found that noncoercive power explained more variance in the satisfaction of the franchisee than did coercive power (23.7% vs. 20.7%).

Lusch (1976) looked at a relationship similar to that of the Hunt and Nevin study. Investigating the effects of the use of coercive and noncoercive power of auto manufacturers in controlling the dealer and its relationship to conflict, Lusch theorized that the stronger the coercive power used by the manufacturer over the dealer then the more frequent the conflict. He also proposed the opposite relationship for noncoercive power: the use of noncoercive power by the manufacturer over the dealer would lead to less conflict. His study investigated 1200 car dealers in the United States. Results show that noncoercive power was more effective in reducing the frequency of intrachannel conflict. Lusch stated that if one wanted to lessen the possibility of dysfunctional channel conflict, then the channel leader was advised to use noncoercive sources of power. Overall, similar conclusions can be drawn about power as were drawn about control. Depending on the situation, depending on the perception of the parties involved, the use of power can be considered just or unjust. Unjust power does produce behavioral compliance but could lead to termination of the association (Dwyer, Schurr, and Oh, 1987).

Dependence. A third variable that might affect the relationship between dissatisfaction and conflict is dependence. El-Ansary and Stern (1972) operationalize dependency as a function of (1) "the percentage of a channel member's business which he contracts with another member and the size of the contribution which that business makes to his profits; (2) the commitment of a channel member to another member in terms of the relative importance of the latter's marketing policies to him; and (3) the difficulty in effort and cost faced by a channel member in attempting to replace another member as a source of supply or as a customer" (p. 49). According to this definition, it is possible to see that the understanding of a dependency relationship between two firms is crucial. This relationship could result in conflict and/or dissatisfaction, especially when one company's very livelihood is vulnerable to another company's actions. In this case potential for conflict is present. This so-called vulnerability of a firm over another firm really comes down to the issue of power. In fact, many authors define dependency as a function of power. For example, Cadotte and Stern (1979) state that the level of conflict is "determined by the degree of goal, domain, and perceptual incompatibility existing between the channel members as well as the extent of their interdependence" (p. 129). It is the existence of interdependence that hints at the issue of power. For example, Cadotte and Stern (1979) theorize that the level of dependence of one firm for another, translates into the level of power that firm has in its relationship with the dependent firm. Simply put, the dependency of B upon A is directly related to the power of A over B. In addition to these conceptualizations "Emerson viewed power as a function of dependence" (El-Ansary and Stern, 1972, p. 47).

It was stated earlier in this review that various power bases tend to lead to dissatisfaction, while other power bases tend to have a positive effect upon satisfaction. Perhaps a more thorough understanding of dependency and its relationship to satisfaction and conflict can be found in the writings of Kasulis and Spekman (1980) who developed a framework for the uses of power. In their article entitled "A Framework For the Use of Power," three general responses to power are developed which include compliance, identification, and internalization. Each of the six

traditional power bases (coercive, reward, legitimate, informational, referent, and expert) is theorized to result in one of the above three responses. Compliance is defined as a response characterized by "B conforming to A's influence solely because B expects to achieve a favorable reaction from A" (p. 184). Identification is characterized by B conforming to A's influence because "B wishes to establish or maintain a desired association with A" (p. 184). Finally, internalization is defined as "B conforming to A's influence because A's demands are consistent with B's values" (p. 184). It is thought that coercive, reward, and legitimate power will create a compliance response. It is thought that referent and expert power will create an identification response. Finally, it is thought that legitimate or informational power will create an internalization response. According to Kasulis and Spekman (1980) legitimate and informational power bases will tend to lead to internalization responses because the values and attitudes of each firm are similar. In addition, legitimate and informational power bases will most likely create the "highest levels of dependency and predictability of behavior among channel members" (p. 188). In this situation, the uses of these power bases are thought to create high levels of dependency without dissatisfaction or conflict. In fact, informational power bases are thought to produce extended cooperation between firms, thus avoiding the dysfunctional effects of interdependency relationships. Overall, empirical research investigating the relationship between dependence and dissatisfaction is sparse. According to Etgar (1976) found a "positive association between wholesaler dependence on suppliers and supplier power over the wholesaler" (p. 13). This type of relationship is not usual, as many wholesalers are very dependent upon the supplier, especially if that supplier produces a one of a kind type product. El-Ansary and Stern (1972) looked at power-dependence relationships by testing two hypotheses. The first hypothesis stated that there was a negative relationship between self-perceived power and attributed dependence. The second stated that there was a negative correlation between attributed power and self-perceived dependence. It was surprising that neither relationship was found to be significant and the authors concluded that no locus of control existed in this particular channel's relationships.

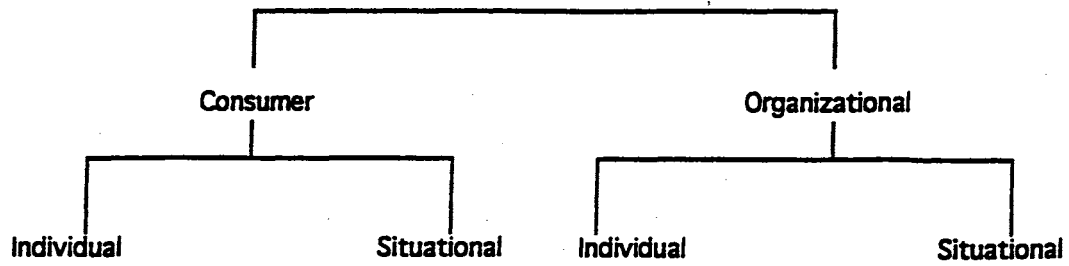
Implications of Situational Determinants. The organizational literature identifies a second category of determinants of organizational complaint behavior. This category takes on a macro or situational perspective and thus has been labeled situational determinants. The implications from this literature regarding the situational difference variables are the following: (1) channel members that exhibit complaint behavior tend to be under high levels of control, especially when it concerns sensitive policy issues important to them; (2) channel members that exhibit complaint behavior tend to be manipulated by high levels of coercive power by the controlling firm; and (3) channel members that exhibit complaint behavior tend to have to high levels of dependency imposed by coercive, reward, and legitimate power bases.

#### A Comparison and Integration of Determinants of Complaint Behavior from Both Perspectives

It has been shown in section D that it is possible to look at the determinants of complaint behavior from both a consumer and an organizational perspective using the same taxonomical framework. Basically, this framework characterizes all determinants of complaint behavior from both perspectives into two categories, namely individual and situational determinants. The following is a diagram of that taxonomical framework.

It is important to realize that this discourse is not trying to make the case that the determinants of complaint behavior from a consumer perspective are essentially the same as determinants from an organizational perspective. As one can see from the discussion, that conjecture would be ludicrous. The determinants of consumer complaint behavior are very different from the determinants of organizational complaint behavior. More importantly the mission of this section was to demonstrate that a taxonomy could be developed useful in classifying determinants of complaint behavior from both perspectives. Therefore when looking at complaint behavior from a broad point of view like characteristics do exist.





Age	Perceived Costs	Goal Incompatibility	Amount of Control
Income	Prob. of Redress	Domain Dissensus	Type of Power
Education	Seller's Reputation	Expectations	Dependence
Support Consumerism	Response of Seller	Perceptions of Reality	Environmental
More Informed		Communications	Stability/ Uncertainty
Positive Outlook			
Independent			
Bright, Articulate			
Individual Confidence			

#### Consumer Variables

1. Age - Warland, Herrmann, and Willits (1975), Liefeld, Edgecombe, and Wolfe (1975), Bearden and Mason (1984).
2. Income - Liefeld, Edgecombe, and Wolfe (1975), Bearden and Mason (1984), Morganosky and Buckley (1987).
3. Education - same references as 1, 2.

#### Organizational Variables

1. Goal Incompatibility - Rosenberg and Stern (1970), Cadotte and Stern (1979).
2. Domain Dissensus - Cadotte and Stern (1979), Brown (1979).
3. Expectations and Perceptions of Reality - Robicheaux and El-Ansary (1975).
4. Communications - Etgar (1979).

Figure 2-5. Taxonomical Framework for Determinants of Complaint Behavior

4. Support for Consumerism, More Informed Warland, Herrmann, and Willits (1975).
5. Power - Hunt and Nevin (1974).
6. Dependence - El-Ansary and Stern (1972).
5. Positive Outlook - Barness and Kelloway (1980).
7. Environmental Stability/Uncertainty - Etgar (1979).
6. Independent, Bright, Articulate - Morganosky and Buckley (1987).
7. Perceived Costs - Landon (1977), Jacoby and Jaccard (1981), and Bearden and Mason (1984).
8. Seller's Reputation - Richins (1983).
9. Response of Seller - Kendall and Russ (1975), Fornell and Westbrook (1984).

Figure 2-5 (Continued)

#### Models Conceptualizing Organizational Conflict and Complaint Behavior

Various authors offer depictions of the processes involved in organizational conflict (Pondy, 1967; Rosenberg and Stern, 1970; and Etgar, 1979). Others have offered characterizations of the processes involved in organizational power (El-Ansary and Stern, 1972), and organizational satisfaction (Dwyer, 1980). Still others have concentrated on illustrating general channel member behavior (Robicheaux and El-Ansary, 1975-1976; Cadotte and Stern 1979). Unfortunately few models of organizational complaint behavior have been conceptualized (Williams and Rao, 1980; Trawick and Swan, 1981). The models that have been offered are rough and undeveloped. This section reviews models concentrating on the above processes, with

the ultimate purpose of generating a more detailed depiction of organizational complaint behavior. More specifically this section will examine and discuss the literature with special importance given to articles diagramming the organizational processes of S/D, organizational conflict, organizational power, and complaint behavior.

### Models of Organizational Complaint Behavior

Organizational Satisfaction/Dissatisfaction. The construct of satisfaction/dissatisfaction (S/D) is considered important in a model of organizational complaint behavior (OCB), just as it is considered important in a consumer complaint behavior model. One organizational model that includes S/D is a general model of channel member interaction put forth by Robicheaux and El-Ansary (1975-1976). In this model, the construct of S/D is considered ensnared with other constructs such as control and performance. These authors conceptualize control to be the most immediate antecedent to S/D. Control of B by A can be perceived as being positive or negative, depending on B's expectations in the situation. Some firms want to be controlled, while other firms seek to have total freedom in their decision making. Robicheaux and El-Ansary (1975-1976) propose that "effective and efficient" channel performance is dependent upon taking strict control of the specific tasks within a channel by a dominant channel member. The results of channel control should be satisfactory levels of performance. Satisfactory levels of performance should achieve high levels of satisfaction within a channel setting. Robicheaux and El-Ansary (1975-1976) acknowledge that the control-satisfaction-performance relationship is intertwined, and inseparable. In other words, control affects S/D, control affects performance, and S/D affects performance. The reverse relationships can also apply. For example, dissatisfaction in A over B, or in B over A could lead to more control of A over B or vice versa. Poor performance of B could lead to more control exhibited by A over B and vice versa. Finally, good/poor performance by A can obviously lead to S/D in B and vice versa. Therefore, the control-satisfaction-performance association is valid in both directions.

Concentrating more on satisfaction, Williams and Rao (1980) design a conceptual model where S/D is diagrammed as a predictor of complaint behavior. Their model is the first identified attempt to represent organizational complaint behavior (OCB). In this model, (OCB) is seen as being the product of five antecedent variables: (1) individual variables; (2) situational variables; (3) organizational/structural variables; (4) the type of purchase; and (5) satisfaction/dissatisfaction. Williams and Rao's (1980) conceptualization of complaint behavior is said to have been drawn from "Sheth (1973) and Webster and Wind's (1972) model of industrial buyer behavior" (p. 301). One important similarity in this model to consumer complaint behavior (CCB) models is that these authors make use of the traditional expectancy/disconfirmation paradigm to define S/D. According to Williams and Rao (1980), dissatisfaction is defined as "a gap or distance between the buyer's ideal attribute combination of a product or service and the attribute combination of the product or service offered by vendors or suppliers. The magnitude of the discrepancy between expectations and actual performance" (p. 302) produce S/D. In addition, these authors recognize individual variables, and situational variables important in predicting organizational complaint behavior. They state differences do exist between consumer behavior and organizational buyer behavior, but specify that where similarities do exist "conceptual corroboration" (p. 303) should take place.

In the channel literature, Dwyer (1980) studied a situation consisting of two manufacturers and two retailers. Dwyer (1980) constructed a sketch showing relationships between cooperation, power, control and satisfaction. In building this model, Dwyer investigated the dyadic interaction between manufacturers and retailers over these variables using a laboratory simulated channel setting. Eighty students were used from a basic marketing class to test several hypotheses involving satisfaction. First, Dwyer found that cooperation among channel members is very important in producing satisfaction in the channel. He noted that "A's perception of B's cooperativeness" (p. 55) directly effects A's satisfaction. Dwyer also observed support for the reciprocal relationship. Second, when looking at power, satisfaction derived from power seemed

to be moderated by cooperativeness. In other words, "if B believes A to be powerful, B will cooperate with A" (p. 55). In explaining the relationship between power, cooperation and satisfaction, power seems to have similar dimensions in its domain that also exist in cooperation. This makes it difficult to untangle the confounding effects of each variable (power or cooperation). Dwyer concludes that power does have "low level persuasive influences as well as authority and command" (p. 57) elements. In general, if the relationship between A and B is one of cooperation, then satisfaction is likely to result in A. It has been noted that some power bases (expert, referent, information, and legitimate) do lend themselves well to satisfaction (Wilkinson, 1979), while others such as coercive power bases (coercion, reward) tend to lend themselves to dissatisfaction among the channel members. Finally, with regard to control, Dwyer (1980) found a positive correlation between satisfaction and a firms' ability to exercise self-control over marketing decisions.

In another study, but along the same lines of Williams and Rao (1980), Trawick and Swan (1981) diagram a model of organizational satisfaction. Their model includes the relationship between complaint behavior and satisfaction and the empirical study investigates the effects on a purchasing agent with regard to (S/D) resulting from the supplier's response to a complaint by the purchasing agent. In this study complaint behavior is operationalized by a self-reported measure and is seen as an antecedent to S/D. However, these authors do not concentrate on the determinants of complaint behavior, but conceptualize their model to begin after a complaint from the purchasing agent takes place. In this sense, this model encompasses organizational S/D from only one side of the dyad. In the study, 250 members of the Purchasing Management Association of Alabama were sent questionnaires. A follow-up letter was sent two weeks later, resulting in 90 usable surveys. The results using a chi-square analysis show that of six variables (ie. 1. follow-up; 2. desired=actual response; 3. prior complaint handled satisfactorily; 4. buyer firm large relative to supplier; 5. buyer firm major customer; and 6. another supplier available), the desired=actual response variable explained the most variance in

S/D. In other words, if the actual response from the supplier is equal to the desired response from the purchasing agent, then satisfaction will result in the purchasing agent with regard to the complaining incident. The follow-up by the purchasing agent variable, and the prior complaint by the agent handled satisfactorily variable, also explained a significant amount of the variance in satisfaction. For the follow-up variable, results show that if a follow-up inquiry has to be made to the supplier by the purchasing agent, then dissatisfaction is most likely to result in the purchasing agent. In addition, if the prior experiences in this relationship have been satisfying, then expectations on the part of the purchasing agent to be satisfied again will influence formation of S/D in the current transaction. Finally, Trawick and Swan found satisfaction to be related to the actual reordering of more products by an purchasing agent in a subsequent situation, "indicating that behavior regarding future orders is strongly influenced by the supplier's response to the complaint" (p. 27) from a previous experience. This idea is similar to the prior complaint handled satisfactory variables talked about above. In addition, this finding lends support for the expectancy/disconfirmation paradigm, where expectations are formed from experiences in the dyad. However, one interesting point was found with regard to power. There was no significant relationship found between power and satisfaction. For example, the supplier buyer power was represented by the firm large relative to supplier variable; the buyer firm major customer variable; and the another supplier available variable. In each situation, no significant relationship was found between these above variables and satisfaction. One explanation for the lack of results could be found in the non-specificity regarding the type of power manifested. The measure of power used should have mirrored the dimensions found in the dyadic relationship for results to be significant.

Finally, one of the first studies that suggested the need for research in the area of S/D as it relates to complaint behavior in the organizational literature was the Williams and Gray (1978) study. These authors pointed out the deficiency in previous efforts for modeling organizational complaint behavior (OCB). They thought it possible to merge the consumer S/D literature into

the organizational literature. However, these authors did not offer their own model of OCB. The significance of this study to this paper is not so much the relationships these authors look at in their study but that Williams and Gray (1978) draw on Landon's (1977) conceptual model of consumer complaint behavior to design their study. This paper adapts Landon's conceptualization of complaint behavior to study organizational complaint behavior over hospital products. The hypotheses Williams and Gray (1978) propose were specific to three products and the results are not generalizable to all industrial products. However, the proposed hypothesis are the following: (1) buyers experience more problems with quality of products than from delivery of products; (2) personal contact with the salesman is the most effective form of complaint behavior for both quality and delivery problems; (3) the amount of problems is related to the number of suppliers and criticality of products; (4) the technician is the most helpful member of the buying team in resolving problems; and (5) experienced buyers have fewer problems than less experienced buyers (p. 343). Overall, results show dissatisfaction in hospital buyers is most likely to result from the delivery of the product rather than the quality of the product. Problems resulting from the quality of hospital products seemed to be few and far between, at least with these three products. Williams and Gray (1978) believe that hospital buyers are very professional by nature and critical in their buying of products. They also noted that when a problem did arise, buyers were most likely to complain to the salesperson and to telephone the supplier. Also, the amount of problems encountered was not related to the number of suppliers, the criticality of the product, or the experience of the buyer. Finally, it was found that there was no difference between a technician and other company personnel in resolving problems related to the product. Overall, this study notes the need to study dissatisfaction as it relates to the organizational literature, with model building encouraged.

Just as in the consumer literature, recognition of S/D is not disputed in the organizational literature. Robicheaux and El-Ansary (1975-1976) recognize S/D in their model of channel member interaction. Williams and Rao (1980) diagram S/D as a predictor of complaint behavior,

while Trawick and Swan (1981) regard complaint behavior as an antecedent to S/D. This author will regard S/D as an antecedent to complaint behavior, just as Williams and Gray (1978) did, making use of the definition of S/D used in the traditional expectancy/disconfirmation paradigm.

Conflict. The second construct necessary to model organizational complaint behavior model is conflict. Early modeling attempts depicting organizational complaint behavior have failed to include conflict (Williams and Rao, 1980, Trawick and Swan, 1981). Conflict is considered a post S/D construct in previous channel member interaction models (Robicheaux and El-Ansary, 1975-1976). If one is going to complete and perfect a model of organizational complaint behavior, there must be recognition of conflict after complaint behavior.

One of the attempts to conceptually model conflict in the organizational literature casts conflict as a dynamic process consisting of multiple dimensions that includes latent, perceived, felt, manifest, and conflict aftermath (Pondy, 1967). When looking at the causes of conflict the list becomes very long and diversified. For example, conflict could be caused by the pursuit of the same resources by different channel members, the pursuit of independence, and/or goal incompatibility. It is not necessary to go into a long discourse about each dimension of conflict, but what is necessary is to suggest that complaint behavior should be considered an antecedent to conflict. Pondy diagrams the latent dimension of conflict as the dimension that sets into motion all other types of conflict. Latent conflict can be caused by various environmental factors. In this sense, the latent dimension is the catalyst that drives the overall notion of conflict and helps set into the motion the formation of other dimensions of conflict.

The placement of an organizational complaint behavior construct in a process model involving conflict must be situated before latent conflict dimensions materialize, so that a platform for the formation of advanced dimensions of conflict are removed. By placing complaint behavior at this juncture in the model, it then becomes possible in theory to completely attenuate the formation of the construct of conflict. Overall, other models of conflict offered by Rosenberg and Stern (1970), and Cadotte and Stern (1979) acknowledge that conflict is a



dynamic process consisting of similar elements outlined by Pondy (1967). However, in diagramming a future model of organizational complaint behavior, it would not be possible to acknowledge in detail each dimension of conflict. Those ends would be beyond the mission of this discourse and would cause some of the same problems mentioned by Day (1980) experienced in the CCB modeling effort.

Power. The third construct necessary to model OCB model is power. El-Ansary and Stern (1972) believe "the measurement of power is a prerequisite for the analysis of the distribution channel as a behavioral system" (p. 47). Robicheaux and El-Ansary (1975-1976) diagram power as a direct antecedent to channel leadership and control and an indirect antecedent to S/D. In their model of channel interaction, power is determined by a channel member's position and the resources the channel member controls. In a model of industrial complaining behavior, Trawick and Swan (1981) diagram power of the buying firm relative to the supplier as a determinant of the subjective probability of a desired supplier response. In this sense, power of the buyer over the supplier is thought to increase the probability that the supplier will respond in a manner acceptable to the buyer with regard to the complaining incident. Just as Robicheaux and El-Ansary (1975-1976) does, Trawick and Swan (1981) recognize power as antecedent to S/D.

In the only other identified model of industrial complaint behavior, power is not directly mentioned as a determinant of complaint behavior (Williams and Rao (1980)). However, it might be argued that these authors circuitously include power as a dimension of the problem situation variable. The problem situation variable includes determination of the relationship of the buyer with the supplier. It is the problem situation variable, that power aspects in the relationship could possibly be included. Unfortunately, these authors do not mention power aspects in their discussion, but their discussion was not meant to be considered a comprehensive survey of all variables that might affect complaint behavior. Since power is considered extremely important in the organizational literature (El-Ansary and Stern, 1972; Hunt and Nevin, 1974; Robicheaux and El-Ansary, 1975-1976; Etgar, 1976; Lusch, 1976; Wilkinson, 1979; Lusch and Brown, 1982), one

cannot eliminate this construct from a conceptual model of OCB. Power can be categorized as a pre-purchase, pre-S/D process in the organizational literature, just as involvement, and motivational aspects are classified as pre-purchase processes in the consumer literature.

Overall, the power dimension has been defined as the "ability to control the decision variables in the marketing strategy of another member in a given channel at a different level of distribution" (El-Ansary and Stern, 1972, p. 47). El-Ansary and Stern (1972) measure and model self-perceptions of power relationships involving 5 wholesalers and 22 dealers in a heating and cooling equipment supply channel. Their model "defines power as the control that one channel member exerts over the selection of particular elements of another's marketing strategy" (p. 51). Second, the model "diagrams power as a function of dependence of one member in the channel on another. Power is also seen as a function of the sources of power held by a given member, and power relationships may be more richly described if both dependence and sources of power dimensions are treated as independent variables" (p. 51). It would then seem that power is a function of dependence and control. Overall, these suggestions are incorporated by Robicheaux and El-Ansary (1975-1976) in their model of channel behavior interaction. These authors diagram a reciprocal and mutual dependent relationship between power, dependence, tolerance and control. When trying to predict control, control becomes a function of power and dependence. Power and dependence have a reciprocal relationship, dependence and tolerance have a reciprocal relationship, and in turn these relationships effect control in the channel. Finally, it is control that is diagrammed as a direct antecedent to S/D, with power diagrammed as an indirect antecedent to S/D. Therefore, it would seem that power needs recognition in any modeling effort of (OCB).

Organizational Complaint Behavior. When looking at OCB, the construct has received little attention. Organizational complaint behavior's definition, domain, and dimensions are still undefined. Furthermore, a well-conceived conceptual and empirical model has not been produced which diagrams post-purchase organizational S/D processes. Also dimensionality

problems involving (OCB) have not become a bone of contention because of the lack of empirical research involving this construct. All of these problems exist in spite of an article written by Williams and Gray (1978) over a decade ago that recognized the need to study and model organizational/industrial S/D and complaint behavior.

Research that has attempted to model OCB (Williams and Rao, 1980; Trawick and Swan 1981) and to test various relationships between selected variables and complaint behavior is sparse. Nevertheless, three empirical studies involving complaint behavior will be reviewed that include: Trawick and Swan 1979; 1982; and Barksdale, Powell, and Hargrove 1984. Williams and Gray (1978), Williams and Rao (1980) and Trawick and Swan (1981) have already been discussed in this section.

In the first empirical study reviewed, Trawick and Swan (1979) research complaining behavior of purchasing managers. Three research questions were asked that are (1) "Is complaining by industrial buyers more or less frequent than complaining by final consumers?; (2) What is the more frequently reported type of complaint?; and (3) Is the nature of a complaint constant across industries or industrial goods classifications?;" (p. 249). Information was gathered from 250 members of the Purchasing Management Association of Alabama using the survey method. Each member was asked to recall a recent incident involving an order of raw materials, component parts, and supply items. Of the 250 members solicited for information, 90 usable surveys resulted.

Trawick and Swan (1979) found that industrial complaining behavior was not an unusual course of conduct pursued by purchasing agents when faced with a dissatisfying experience. In fact a mean value of 8.6% of all orders made by each purchasing agent resulted in complaint behavior. The modal value was 5%, and the range was 1% to 50%. Trawick and Swan believe from these results that industrial marketers are more likely to complain about a dissatisfying experience than are final consumers. It might be too hasty to make this generalization for two reasons. First, the sample used in this study consists of professional buyers in which job retention

and the successful longevity of the company depends upon purchasing products wisely. Purchasing agents are well trained and well educated professional buyers, and might not be intimidated from complaining as many final consumers are when faced with a dissatisfying experience. However, the consumer literature provides support for these findings, in that people who tend to complain are more educated than people who do not tend to complain. One explanation for the high rate of organizational complaint behavior in purchasing agents is the fact that they are well trained and well educated. Therefore they respond just as well educated consumers respond in the consumer market. A well educated consumer will understand the purchase situation better and thus be more likely to complain. Second, the exact percentage of buyers in the consumer market that do have a tendency to complain is not known. Empirical results are conflicting in that one study by Andreasen and Best (1977) reported less than half of the consumers who faced a dissatisfying experience complained. Wilkie (1986) reports that in dissatisfying experiences with grocery and health care items, over 50% of the consumers did not complain. However, the Technical Assistance Research Program (TARP) study reported that about 70% of the consumers who had a dissatisfying experience in their study voiced a complaint. Results seem to be misleading in that when a study reports that 50% did not complain about the dissatisfying experience, a reasonable alternative explanation about the behavior for the other 50% is that they did complain. If 50% of the consumers did complain about a dissatisfying experience, this would be considered a high rate of complaint behavior. Therefore from these results this author cannot come to the same conclusions as Trawick and Swan, in that complaint behavior takes place more often in the organizational market than in the consumer market. Possibly a more acceptable generalization to make would be that there is a high rate of complaint behavior in both markets, however each incident tends to be situational, and product specific.

A second question Trawick and Swan ask is: What is the most frequently reported type of complaint in the industrial market? Their data shows that 56.9% of the purchasing agents were more likely to complain about products being delivered late. The second most complained about

problem was delivering a defective product (24.5% of the purchasing agents complained about this problem). These complaints are not unlike the TARP findings. TARP found that 20.5 % of all problems reported by consumers with consumer products had to do with long waits for delivery or failure to receive delivery of ordered products. In addition, 22.4% of all problems reported by consumers with consumer products had to do with unsatisfactory performance and the quality of product. These problems have their root cause in poor workmanship (ie. poor quality). Based on these results, it is possible to say that problems that are encountered by purchasing agents in the organizational market are very similar, if not the same, as to problems encountered by consumers in the consumer market. A third question that these authors addressed is how constant complaint behavior is across the different kinds of products? (ie. raw materials, component parts, and supply items). They found no significant difference in the nature of complaints concerning these products. Trawick and Swan (1979) conclude that complaining in the industrial market is not product specific. This finding does not hold true for the consumer market, in that complaining in the consumer market is very much influenced by perceived costs and thus is product specific related (Lawther, Krishnan, and Valle, 1978; Bearden and Mason, 1984). In looking at each category of industrial products investigated by Trawick and Swan, cost would typically vary tremendously between raw materials, component parts, and supply items. One would expect that on the average raw materials and component parts would be far more expensive than supply items, thus more complaining behavior should be exhibited from a dissatisfying experience associated with the more expensive product. In the consumer market research has shown that as the price of the product goes up, so does complaining behavior (Lawther, Krishnan, and Valle, 1978). But based on these results one must assume that organizational complaining is not product specific, and thus less related to costs than in consumer complaining.

In a separate study by Trawick and Swan (1982) using the same data collected from the (1979) study, these authors asked three questions; (1) "How frequently do dissatisfied

organizational buyers complain?; (2) What proportion of buyers report an official and/or informal policy for complaints?; and (3) To what extent do buyers perceive that they have a clear role in the complaint process and what is the content of that role?" (p. 81). Results show that 34 out of 88 purchasing agents complained every time they were dissatisfied with a purchase situation. These purchasing agents obviously possessed a strong propensity to complain. Data also showed that 74% of the 88 purchasing agents complained in 8 out of 10 dissatisfying experiences. Again, these results seem to reflect confident intelligent professional buyers not inhibited to express their dissatisfaction. In question two, Trawick and Swan ask what proportion of the buyers in this survey had an official and/or informal policy for complaints? The answer to this question could be used as an alternative explanation for the high rate of complaint behavior in the industrial market. In looking at the results, 27% of the buyers reported an official policy for complaining, while 54% of the buyers reported an unofficial policy for complaining. In summing up these percentages, it is important to realize that 81% of all purchasing agents in this study worked under an official or unofficial policy for handling complaints. It would seem that if a company does have a policy for complaints, that policy could very well be the catalyst that drives the high incidence of complaint behavior in the industrial market. Finally, the last question Trawick and Swan (1982) address is what do buyers perceive as their role in the complaint process? Results show that 63% of the purchasing agents believe that it is their responsibility to initiate complaint procedures against a supplier in a dissatisfying experience. 19% believe that it is their job to intervene if the problem is not resolved at a lower level in the company, and 11% reported that they would pass the problem on to an intermediary (ie. someone between the complainer and the supplier) in order to achieve satisfaction in a dissatisfying experience. Overall, Trawick and Swan (1982) provide valuable information about complaint behavior practices in the organizational market. They also believe that "future research should attempt to integrate complaint behavior into formal organizational buyer behavior models" (p. 83).

Finally, in a study done by Barksdale, Powell, and Hargrove (1984), four hypotheses were investigated that involved organizational complaining behavior. These hypothesis included the following: (1) "There is a positive relationship between the purchase price of a product and the propensity to complain"; (2) "The propensity to exhibit complaining behavior would be greater in situations in which there are relatively few sources of supply available"; (3) "The number of complaints should be highest in the case of a new task buying decision than in other situations"; and (4) "More complaint voicing is expected when the relationship with the supplier is an existing one" (p. 94). To investigate these hypotheses, the authors used 34 subjects who were members of the Georgia Association of Purchasing Managers. Twenty-four scenarios were created that simulated a purchase decision resulting in a dissatisfying experience. Each subject was randomly exposed to each scenario. The dependent variable was the propensity to voice a complaint given the situation. Results show no support for hypothesis one. Subjects were not found to be more likely to complain when the price of the product is high. These results again contradict consumer market findings but support past research in the organizational literature (Trawick and Swan, 1979). Barksdale, Powell, and Hargrove (1984) believe that buyers expect high priced products to be of high quality, therefore they are less likely to complain than in situations involving low priced products. However, this explanation is quite shallow, with Trawick and Swan's (1979) explanation making more sense. In addition, this author believes Barksdale, Powell, and Hargrove (1984) results to be an anomaly, and accept the consumer literature findings as being a more reasonable and logical explanation for these results. Second, these researchers found no support for hypothesis two. Subjects reported that they were more likely to complain in situations where there were many suppliers, than when there were few suppliers. These authors provided no explanation for these results, however, this relationship seems to be somewhat logical. For example, the consumer literature states complaint behavior will become more profitable to the consumer, especially when the consumer knows that they can acquire a quality alternative product from another vendor. If a situation exists where there are

little or no alternative vendors, the consumer will typically realize that probability of redress (Richins 1983) is low and therefore try to maximize his purchase experience. Hypothesis three investigates whether complaint behavior is highest in a new task buying situation or in a straight rebuy. No support was found for this hypothesis. One would intuitively expect a higher rate of complaint behavior existing in a new task buying situation because the circumstances dictate engaging in a new production operation, and thus the purchase of new raw materials, component parts, and supplies. Since relationships between the buyer and supplier in this situation are most likely new, the opportunity for a dissatisfying experience to take place is high. However, it is equally feasible to argue for the alternative hypothesis. A straight rebuy could cause the highest rate of complaint behavior. For example, in a straight rebuy, relationships are established and supplies have been sold back and forth for an extended period. When a dissatisfying experience arises, one would have the tendency to be very surprised, and therefore complain. Also, the psychological risk in complaining to someone that you have dealt with for an extended period is much lower, therefore making it easier to express your dissatisfaction. This relationship obviously needs more investigation. Finally, these authors proposed that more complaint behavior will take place when the relationship with the supplier is an existing one. Again, no support was found for this hypothesis. This hypothesis is very similar to hypothesis three in that new task buying situations assume only short established relationships and straight rebuy situations assume long relationships between suppliers and buyers. No support was found for hypothesis three, therefore one would expect no support for hypothesis four, at least from a post hoc position. In addition, the same explanations for hypothesis three could be used as an explanation for hypothesis four. Overall, this study is disappointing and seems to cause more trouble in our quest to understand and predict OCB than it helps. It would seem that the main problem Barksdale, Powell, and Hargrove (1984) encountered was the small number of subjects used in their experiment. One suggestion to improve this study is to increase the number of participants, so that one can assign at least 10 different subjects to each treatment. Therefore the



sample would need to be increased to 240 subjects, rather than just 34. In addition 16 people were eliminated from the study at the beginning. This unfortunately reduced the statistical power of the MONANOVA test and increased the likelihood of getting non-significant results. The use of 16 subjects in an experiment with 24 cells is quite unacceptable.

### Comparison of Conceptualizing Consumer Complaint Behavior and Organizational Conflict and Complaint Behavior

From this review, it should be noted that the study of complaint behavior from an organizational perspective has just begun. Five studies have been identified that acknowledge the need for adding the complaint behavior construct to the organizational literature, but they have not defined the complaint behavior construct, identified its domain, or specified the number of dimensions that conceptualize this construct. When measuring complaint behavior, these authors have all used single item measures. Second, they visualize organizational complaint behavior to consist of a response that represents only one dimension (ie. dissatisfaction). Organizational complaint behavior is not considered in the literature to be a multiple dimensional construct that arises out of feelings of indifference, satisfaction, or dissatisfaction, as it has been represented in the consumer literature. In addition, no scale has been developed and used that conceptualizes complaint behavior to consist of a no action, a private action, or a public action. These three dimensions have been accepted as representative of the consumer complaint behavior construct.

It would seem that the diagramming and measuring of complaint behavior from an organizational perspective makes the most sense by using the approach developed by Lawther, Krishnan, and Valle (1978). Just as in the consumer literature, this approach would allow for the fact that different purchasing agents, wholesalers, manufacturers, etc. in the industrial market will respond differently in the same situations as well as in different situations. Overall, this approach will permit the researcher to develop profiles of organizational participants as to how they might respond in a given situation. In doing so this will provide the researcher the ability to investigate

the validity of typologies developed from this measure. Therefore, it is this author's opinion that the complaint behavior construct from an organization perspective should be visualized by the following diagram and measured by the following scale.

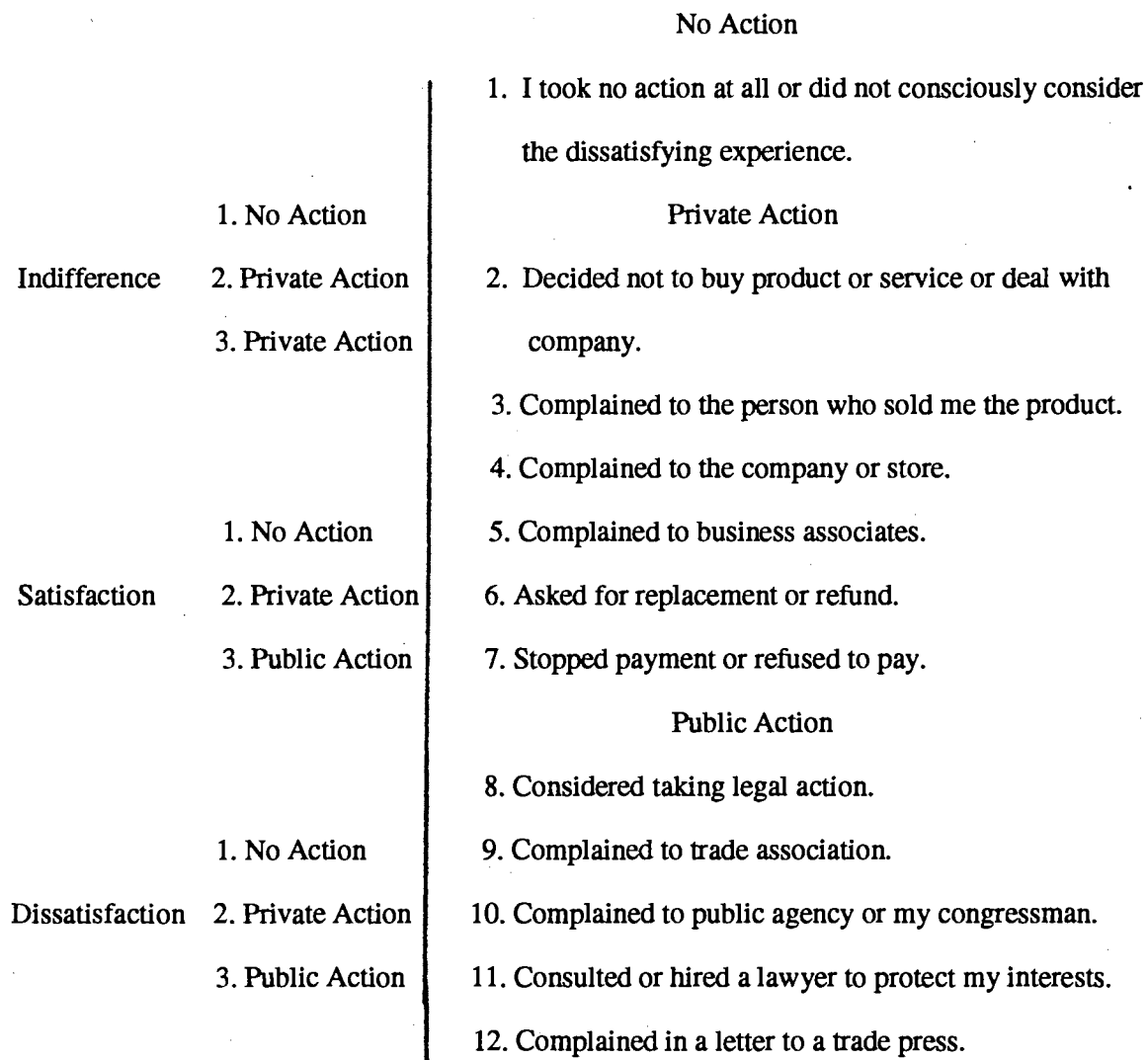


Figure 2-6. Organizational Complaint Behavior Represented By Dimensions

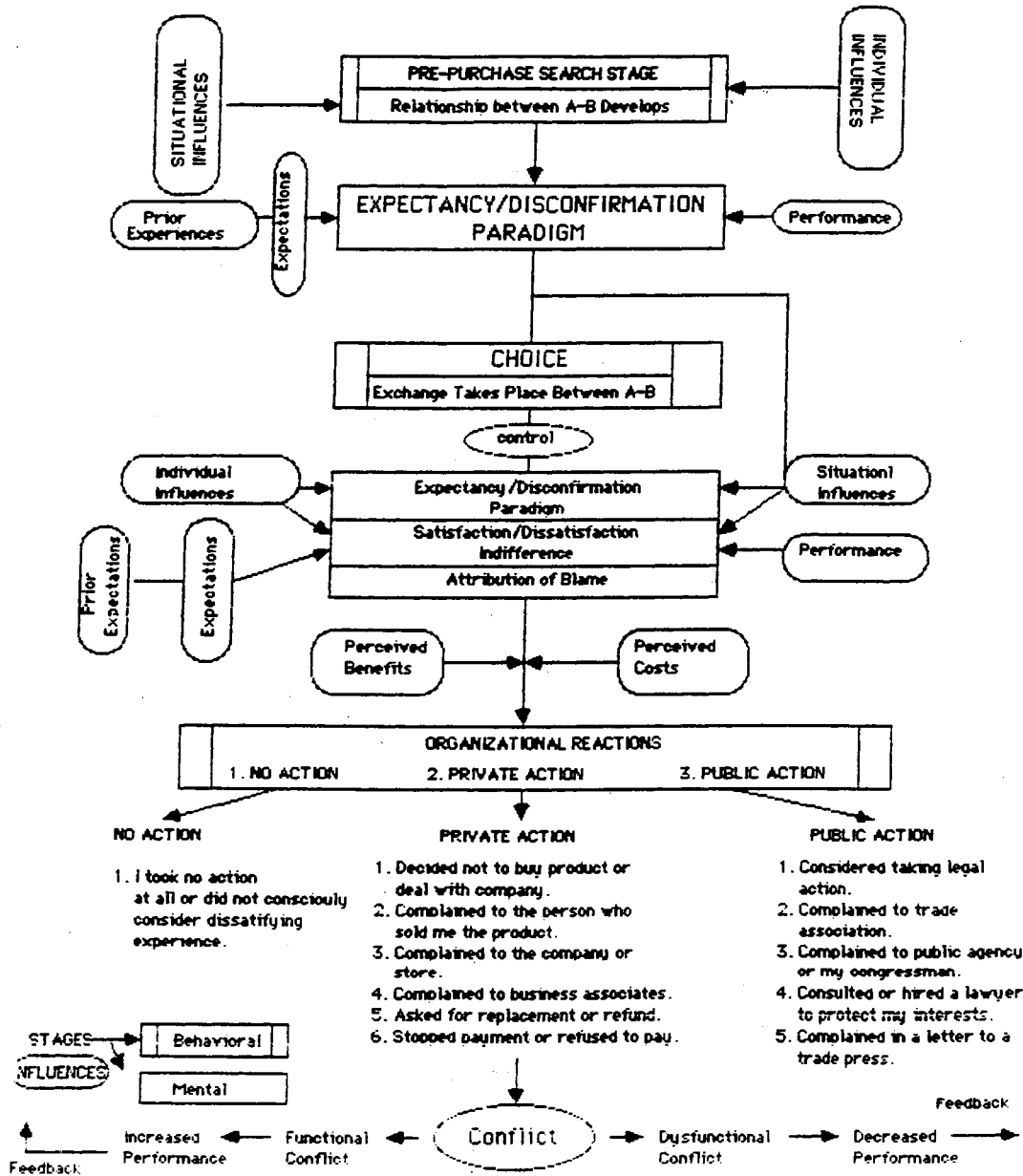


Figure 2-7. Comprehensive Conceptual Model of Organizational Complaint Behavior

## Comprehensive Model of Organizational Complaint Behavior

### Introduction

This model has been designed to closely resemble the consumer complaint behavior model designed in the first part of this literature review. Two types of stages are represented which include behavioral stages and nonbehavioral stages. Behavioral stages are delineated by the following stages: the pre-purchase search stage (which models role relationships that develop between A and B); the choice stage (which models the exchange that takes place between A and B); and the complaint behavior reaction stage (which models the complaint reaction of A toward B). Each behavioral stage portrays actual behavior performed by one half of a dyad. Nonbehavioral stages portray cognitive activity. Nonbehavioral stages are limited by two different evaluation steps. Also, the model recognizes that there are various influences that affect each stage. These influences are entitled situational influences, individual influences, prior experiences, expectations, performance, perceived costs, and perceived benefits. Finally, a feedback loop is shown to emphasize the fact that the complaint behavior process is dynamic.

### The Model

Pre-Purchase Stage . The organizational complaint behavior process begins with the behavioral stage entitled pre-purchase search stage. This pre-purchase search step represents various endeavors that take place to develop organizational relationships in a dyad within the industrial marketplace. Role theory explains the type of interaction that takes place between different channel members that include the development of channel position, role prescriptions, and role behavior, that are established as the affiliation progresses (Robicheaux and El-Ansary (1975-1976). Activities performed by an organization in the pre-purchase step represent all activities that are necessary and useful for acquiring and consuming a particular product or service. Organizational complaint behavior is diagrammed as being a

pre-purchase activity, in addition to being a post-purchase activity. This model recognizes that the experiences that occur before a purchase can cause significant enough frustration and discontent to prompt an organizational complaint. Various authors have noted a number of influences that will affect the relationship between A and B, and thus lead to complaint behavior. These influences are extremely diverse and it might be helpful to place them into two categories. These categories are represented in the model as situational influences and individual influences. Some of the individual influences include goal incompatibility, domain dissensus, expectations and perceptions of reality, and the lack of communications (Rosenburg and Stern, 1970; Cadotte and Stern, 1979; Brown, 1979; Robicheaux and El-Ansary, 1975-1976; Etgar, 1979), (See pages 85-94 in literature review). Each of these individual influences will affect the satisfaction/dissatisfaction/indifference level within the relationship. Situational influences include the amount of power one member of the dyad has over another member, which could also be represented by the dependence of a member in the dyad for another; the amount of control of one member over another, and the environmental stability represented in the particular situation A and B find themselves in (Robicheaux and El-Ansary, 1975-1976; Dwyer, 1980; Etgar, 1979; El-Ansary and Stern, 1972; Hunt and Nevin, 1974), (See pages 79-85 in literature review).

Pre-purchase Evaluation Stage. From the pre-purchase search stage, the organization moves into a mental stage. This mental stage is called an evaluation stage. Here the traditional expectancy disconfirmation paradigm will be used to define satisfaction/dissatisfaction. The organization is depicted as making a comparison between expectations for performance and the organization's perception of actual performance. Prior experiences are considered as inputs into the formation of an organization's expectations. However, it should be noted, that at this point in the model the organization is not evaluating a product or service, but is evaluating its experiences in the pre-purchase search stage. An organization must decide whether the relationship with its constituent meets expectations and/or vice versa.

The recognition of organization complaint reaction from the pre-purchase stage can trigger the process of organizational complaint behavior. If complaint behavior is contemplated by an organization within the dyad, the organization would then bypass the choice step in the model and move into the second evaluation stage. The second evaluation stage is considered to be a more extensive evaluation than the first, and includes determination of satisfaction, dissatisfaction, indifference, and attribution of blame processes.

Choice Stage. If no complaint reaction occurs from the pre-purchase search stage, the organization is perceived as moving into a second behavioral stage called the choice stage. The choice stage simply refers to the process by which organization A makes a selection to purchase products or services from organization B. When A makes a choice to buy B's products, B establishes a certain amount of control over A. This type of control is talked about by Etgar (1978), where one channel member may rely heavily on another channel member for assistance in various channel activities.

Post- Purchase Evaluation Stage. From the choice stage and with control established in the dyad, the organization moves into a mental stage called the evaluation stage. This evaluation stage is more involved than the previous evaluation stage. It depicts the organization as making a comparison between the expectations for performance and the organization's perception of actual performance. Again prior experiences are considered inputs into the formation of an organization's expectations. The main difference in this evaluation stage is that this stage pertains to a product experience, but could involve an experience with assistance in training sales people, store management, store layout decisions, or in the development of leads for future sales. As organization A is evaluating their product experience resulting from a purchase of B's product and perceived performance falls below expectations, negative disconfirmation results. If perceived performance exceeds expectations, then positive disconfirmation results. A positive/negative disconfirmation, typically is thought to lead to organizational satisfaction/dissatisfaction. When there is no

discrepancy between the actual and expected performance of the product, the result is indifference. No matter what the result of this comparison, the organization must make determinations of causality. By including attribution of blame in the evaluation stage, the model recognizes that all organizations are motivated to understand their experiences in their interactions with other organizations. Perhaps one way of understanding an experience comes through constantly estimating who or what is responsible for, or causes various events in everyday operations. This process is known as attribution (internal vs. external) or attribution of blame. It is safe to say that individual influences, along with situational influences will effect this evaluation stage. The evaluation stage includes whether the organization is likely to be dissatisfied, and who or what is responsible for this particular outcome. Once the organization decides who or what is responsible for the outcome, the organization then is perceived as considering the costs versus the benefits associated with each complaint reaction. If the benefit of pursuing a particular organizational complaint behavior outweighs the cost of that action then that form of complaint behavior is engaged in. The severity of the magnitude between perceived costs versus perceived benefits will help determine whether a certain type of complaint behavior will take place.

### Conclusion

It should be noted that this complaint behavior model recognizes two dynamic processes that could result in an organizational complaint reaction. First, the organization, no matter what type of purchase decision it makes, must go through some sort of pre-purchase relational process. The pre-purchase search stage is influenced by both situational influences and individual influences. A situation could arise in this stage that causes a complaint reaction within the organization. This reaction is typically described as arising out of a comparison between expectations for performance and the perception of actual performance.

This first evaluation process is based only on the pre-purchase search step. If the problem is great enough, a more thorough evaluation is undertaken. In this situation, the following model diagrams the organization as bypassing the choice step and moving into a second evaluation stage where individual influences and situational influences interact with the process of attribution of blame. Once attribution of blame is determined, the organization engages in a comparison of perceived costs versus perceived benefits involving each type of complaint reaction. If benefits outweigh costs, some form of organizational complaint reaction occurs.

The second dynamic process outlined by this model also begins with the pre-purchase search stage. If there is no organizational complaint reaction arising from the pre-purchase stage, the model depicts the organization as moving on to the choice stage. Again the choice stage is where the organization makes a product decision. Based on the organization's experience with the product an evaluation takes place. This evaluation could again result in an organizational reaction. As noted earlier, the reaction here is with the product itself and not with the search stage. Internal or external attribution of blame is determined and a comparison between perceived costs and perceived benefits are made. If benefits outweigh cost, some form of consumer complaint behavior occurs.

In both processes, the model of organizational complaint behavior is viewed as being dynamic as evidenced by a feedback loop.

#### A Comparison Between Consumer Complaint Model and Organizational Complaint Model

When comparing the two complaint behavior models designed in the literature review, it is possible to divide the two models into like stages to include a pre-purchase search stage, an evaluation stage, a choice stage, and a reaction stage. Behavioral stages include the search



stage, the choice stage and the reaction stage. Nonbehavioral stages are represented by the two evaluation steps. In addition the review has shown that the consumer and the organizational literature can be cataloged in such a fashion to reveal similarities which provide a method of integration between each of the two complaint behavior models.

Theoretical support for this endeavor has been provided by Fern and Brown (1984). The principal question asked in this paper is whether the processes of organizational and consumer complaint behavior are sufficiently different as to justify their division. To answer this question discussions center on the determinants of complaint behavior.

The review categorized determinants of consumer and organizational complaint behavior into individual and situational influences. Even though the determinants of complaint behavior can be classified similarly, this paper does not suggest that the literature regards the determinants to be the same. In fact, the review shows consumer and organizational processes have major differences. The purpose of this section is to outline similarities between the two streams of literature and to propose the integration of a consumer and an organizational complaint behavior construct. This can be done by looking at the similarities found in the four stages of each proposed model. First, stage 1 shows pre-purchase consumer determinants of complaint behavior can be conceptually likened to pre-purchase organizational determinants of complaint behavior, and vice versa. In stage 2, figure 2-9 shows that the expectancy/disconfirmation paradigm is important in each model for conceptualizing the mental processes that take place before complaint behavior. Stage 3 diagrams the choice stage which occurs in each situation. Finally, stage 4 profiles the complaint reaction stage over each complaint behavior model. This type of comparison has not been attempted in either the consumer literature or the organizational literature. Bringing out similarities in this way, theoretical support against the separation of consumer and organizational complaint behavior can be provided.

### Stage 1

The consumer literature outlines determinants of complaint behavior to include individual influences (ie. age, income, education) and situational influences (ie. perceived costs, severity of the problem, prob. of redress). In looking at each influence, it is possible to show like processes exist across each literature for each determinant. For example, age of the consumer has been investigated quite extensively in the consumer literature as a determinant of CCB. The basic finding has been that as age increases complaint behavior tends to decrease. Given age as a consumer determinant, it is possible to look at this concept from an organizational perspective. For example, age can be likened to the length of time one company has been dealing with another company in a specific dyad. The length of time that a particular company has engaged in buying products from another company (ie. purchasing situation) will affect whether the company complains. It is possible to propose that younger dyadic relationships will produce organizational complaint behavior more so than older dyadic relationships. This type of relationship makes intuitive sense, in that younger dyadic relationships provide less opportunity for fine tuning the exchange process between companies. A young exchange relationship is likely to produce more complaint behavior, than would an older exchange relationship simply because time has allowed adjustments in the exchange process to proceed. Similarly, income has been shown to be a determinant of consumer complaint behavior. The major finding regarding income is that as income increases, so does the tendency to complain. Given income as a consumer determinant, it is possible to look at this concept from an organizational perspective. For example income can be equated to the size of company revenues and as a company's income increases so will the tendency for a company to complain. This relationship makes visceral sense, in that one would expect increased company income to produce increased power in the dyadic relationship and thus more complaint behavior.

Education has also been shown to be a determinant of consumer complaint behavior. The major finding regarding education is that as education increases, so does the tendency to complain. Education can be equated to the training or the experience possessed by the purchasing agent or manager of a company. Therefore, it is possible to postulate that as the training of the purchasing agent increases, so will the tendency to complain increase. Again this relationship makes logical sense, as one would expect a well-trained organizational buyer to complain more, simply because he/she will be aware of his/her rights as a consumer. He/she will also be aware of the quality expected in the product or service purchased and what his/her course of action would be if expectations were not met.

In looking at the situational influences from the consumer literature in the same manner, similar parallels can be made. For example, research regarding perceived cost has been quite promising. Bearden and Mason (1984) describe this variable to be a consistent predictor of complaint behavior. As perceived costs related to the dissatisfaction increases, so does the tendency to complain increase. Again, intuitively applying this aforementioned logic to the organizational literature, it would not be difficult to see that all organizations tend to evaluate the outcome of their dyadic relationships. If perceived costs outweigh the benefits in the exchange relationship, then complaint behavior is more likely to occur. Many of the situational influences would have similar relationships with complaint behavior. For example, risk is defined as exposure to harm in the purchase situation. As exposure to harm increases, so does the increased probability of a negative outcome to occur causing the tendency to complain to increase.

Various other situational factors cited in the consumer literature review could easily be applied to the organizational literature. These variables include involvement of the consumer in the purchase of the product, and the probability of redress when a dissatisfying experience arises. Consumer research has shown that as involvement increases so does the search of information about the product increase. As the consumer becomes increasingly

involved in the purchase situation, other factors are also affected such as costs, use of time, and risk. As the pre-purchase process continues each of these variables may explain a considerable amount of variance in whether a consumer complains. Intuitively each of these variables will affect the purchase process from an organizational perspective and increase the likelihood for organizational complaint behavior to occur.

Using the same logic and classification schema, the organizational review postulates determinants of complaint behavior to also include individual influences (ie. goal incompatibility, domain dissensus, expectations and perceptions of reality, and communications), and situational influences (ie. amount of control, power, and dependence). In looking at each influence, it is possible to show how each could affect the likelihood of consumer complaint behavior. By doing this the argument that like processes exist across each determinant over both literatures would be supported. For example, goal incompatibility has been conceptualized in the organizational review to be a determinant of complaint behavior. One basic finding in the organizational literature about goal incompatibility has been that as goals of company's become more unstated and intangible, they tend to cause conflict and dissatisfaction among channel members. Rosenburg and Stern (1970) point out that goals that are not written down and stated as official goals tend to cause the most dissatisfaction between companies. Given goal incompatibility as a determinant of organizational complaint behavior, it is possible to look at goal incompatibility as a determinant of consumer complaint behavior. For example, a particular consumer is in need of a new automobile. The auto dealership has a particular price in mind in selling this new car. However, the consumer wishes to purchase the car at a very different price than that of the auto dealer. In many cases, the buyer and seller are unable to arrive at a mutually acceptable price and therefore some form of complaint behavior arises. In this case the purchaser could manifest his/her complaint behavior by refusing to deal with the dealership again when considering the purchase a new car.

Similarly, domain dissensus has been conceptualized to be a determinant of organizational complaint behavior. The major finding in the literature is that domain dissensus is a disagreement as to what particular role each organization will play in the exchange process. To arrive at domain dissensus, common expectations and roles must be maintained by each channel member to avoid complaint behavior. Given a violation of domain dissensus as an organizational determinant of complaint behavior, it is possible to look at the concept as a determinant consumer complaint behavior. For example, a consumer purchased a new car and the auto dealer stated that the new vehicle carried a bumper to bumper 3 year/36,000 mile warranty. The consumer might take this warranty as a pledge to fix the car if anything at all failed to work properly in the first 3 years/ 36,000 miles of the car's life. In addition, expectations were that the dealer would reimburse him/her for any costs associated with a breakdown. Unexpectedly the car breaks down on a trip and has to be towed to the nearest dealer. The question arises as to who is going to pay for the expenses incurred in getting the car towed and for the time lost in waiting for the car to be fixed? Obviously, the consumer will expect the dealer to pay for those costs since the car was brand new and had only 1000 miles on it. However, the dealer might not feel responsible for costs related to lost time and refuse to reimburse the consumer for his inconvenience. The concept of domain dissensus applies here in that agreed roles between each member of the dyad has been violated and the loser must pay for the added costs.

Third, expectations and perceptions of reality have been outlined in the organizational review as a possible contributor to OCB. Robicheaux and El-Ansary (1975) state that personal expectations, values, and frames of reference are all potential precursors to dissatisfaction and complaint behavior. Last, miscommunication has been outlined as a contributor to dissatisfaction and complaint behavior. Ineffective communication often leads to misunderstandings, feelings of frustration and complaint behavior. Complaint behavior resulting from any type of miscommunication, difference in expectations, values, or

differences in frames of reference on the organizational level is not fundamentally different on the consumer level.

In looking at situational influences from the organizational literature in the same manner, similar parallels can be drawn. For example, control has been found to be a potential source of dissatisfaction and complaint behavior. Robicheaux and El-Ansary (1975) found that as one channel member tends to step over and misuse their given role within the channel complaint behavior typically arises. Unrestricted control used by one member of the dyad over the other member of the dyad can be a major contributor to complaint behavior. This situational influence although mostly applied to the organizational level, can also be applied at the consumer level with regard to complaint behavior. For example, many times in the consumer market, the consumer will experience situations where there is only one provider of a product or service in any given market. Because the supplier has the benefit of being a monopoly, abuse of the consumer in the area of control can arise. For example, the electrical company provides electricity for a given market area. If the consumer experiences difficulty with periodic power outages, he may consult with his/her electrical provider to solve the problem. However, because the electrical company has no real possibility of losing that person as a client, no action to produce a remedy may ever be taken by the power company. This type of abuse in control could lead to complaint behavior. Overall, similar conclusions can be drawn about power, and dependence as are drawn about control. The particular situation, the perceptions of the parties involved, and the use of unjust control or power can produce dissatisfaction and/or complaint behavior. In looking at dependence, it is the percentage of a channel member's business that he contracts with another member. If one member of the channel needs a large percentage of another channel member's business to survive, then dependency results. Again, misuse of that relationship can lead to dysfunctional relationships at the organizational level as well as dysfunctional relationships among individuals at the consumer level. By looking at individual and situational influences using

this perspective, similarities between the two streams of literature start to become apparent. Again, this discourse does not suggest that the literature regards the determinants to be the same, but that striking likenesses exist, enough to argue against separation of consumer and organizational complaint behavior.

### Stage 2

Stage 2 represents the actual evaluation. This particular stage is considered a mental stage being conducted within the boundaries of the expectancy/disconfirmation paradigm (EDP). Expectations and prior experiences of the consumer and the organization are considered inputs into the evaluation. The theoretical background of EDP has been discussed in the literature review, with dissatisfaction, satisfaction, and indifference being defined from the principles of EDP. Evaluation takes place in each model with regards to the search process. In either model the evaluation is considered to be a simplified evaluation. The output of this evaluation is the choice stage (See figure 2-9 for stage 2).

### Stage 3

In the choice stage, the model diagrams an individual or an organization making a decision to buy a product or service from its counterpart in the dyad. In the organizational complaint behavior model, the process parallels the consumer process with inputs being categorized as individual and situational influences. The output of the choice stage results in a more detailed evaluation process, following the guidelines set forth by the EDP paradigm. If dissatisfaction occurs, then attribution of blame processes take place. Each member of the dyad must not only evaluate its product or service choice, but must also evaluate who might be responsible for the dissatisfying experience. One difference does exist in this stage over the two models. In the organizational model, the type and extent of control of one member of the dyad over another member of the dyad that has developed from every day business activities must be determined (See figure 2-10 for stage 3). Control issues in an

organizational setting are very important, but sometimes lose their meaning in the consumer market due to the size and the number of players in the marketplace.

#### Stage 4

Finally stage 4 diagrams the formation of a complaint reaction. Each model diagrams inputs to the complaint reaction to be the comparison between perceived cost versus perceived benefits related to each type of complaint reaction. If the benefit of the complaint reaction outweighs the costs of the reaction, then complaint behavior will take place. Finally, output from stage four is slightly different in each model. In the consumer model, there is a feedback loop showing the process to be dynamic and ongoing between the consumer and the seller. In the organizational model, there is a feedback loop showing the formation of a conflict stage. If complaint behavior goes unresolved then conflict will result. If functional conflict takes place between A and B, the exchange process will benefit the relationship through increased performance. If dysfunctional conflict takes place, the exchange will impede the relationship with the outcome being decreased performance.



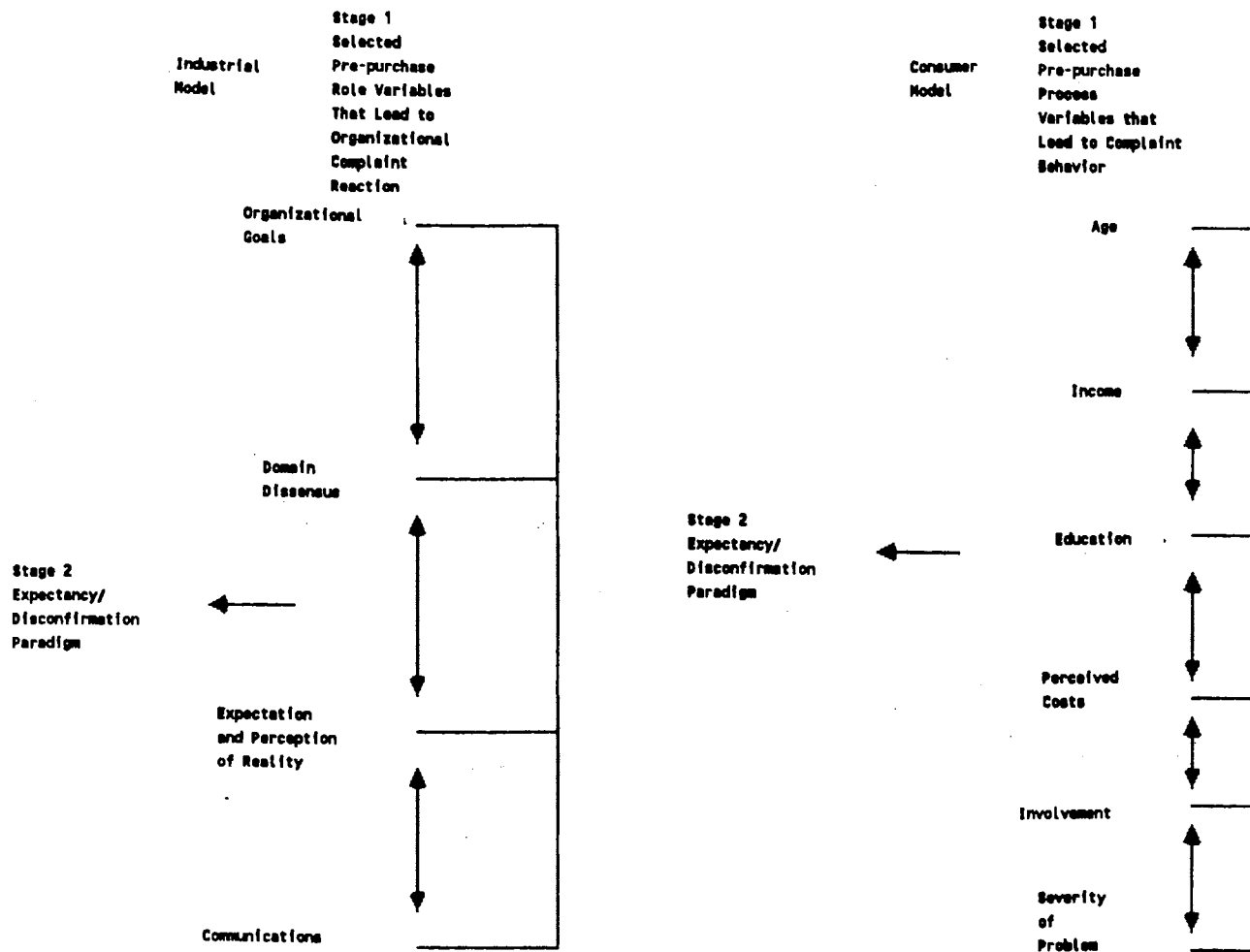


Figure 2-8. A Comparison Between Consumer Complaint Model and Organizational Complaint Model

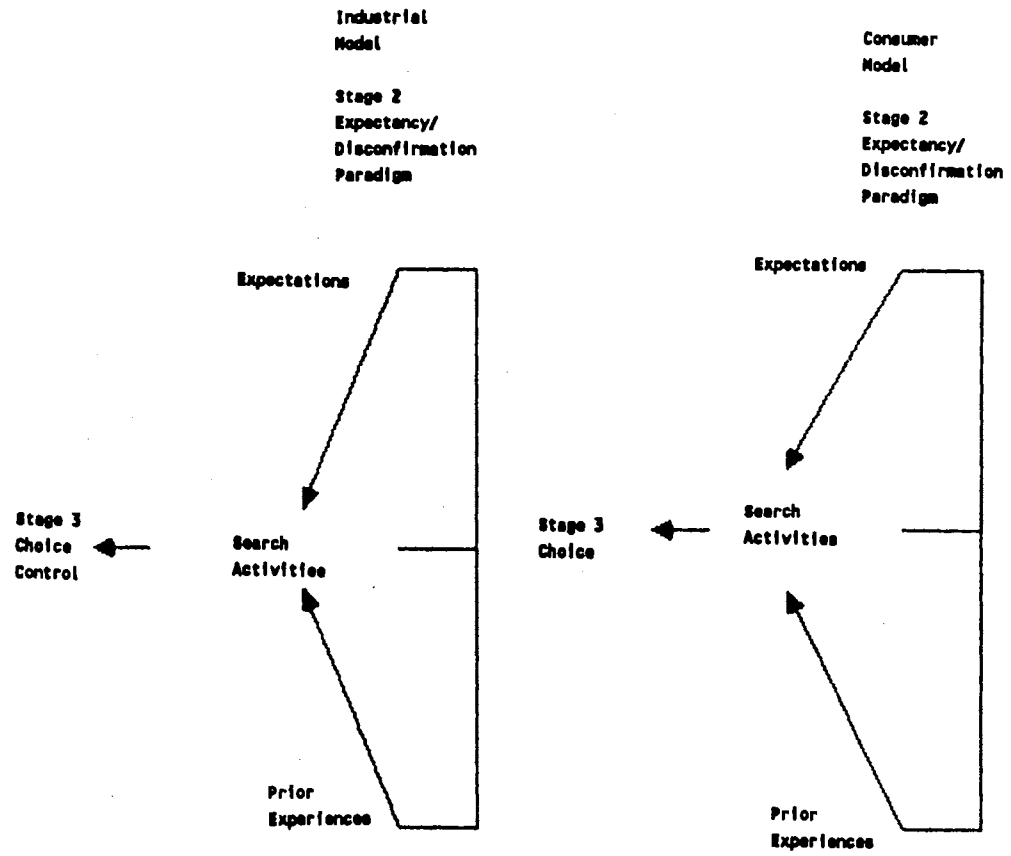


Figure 2-9. A Comparison Between Consumer Complaint Model and Organizational Complaint Model

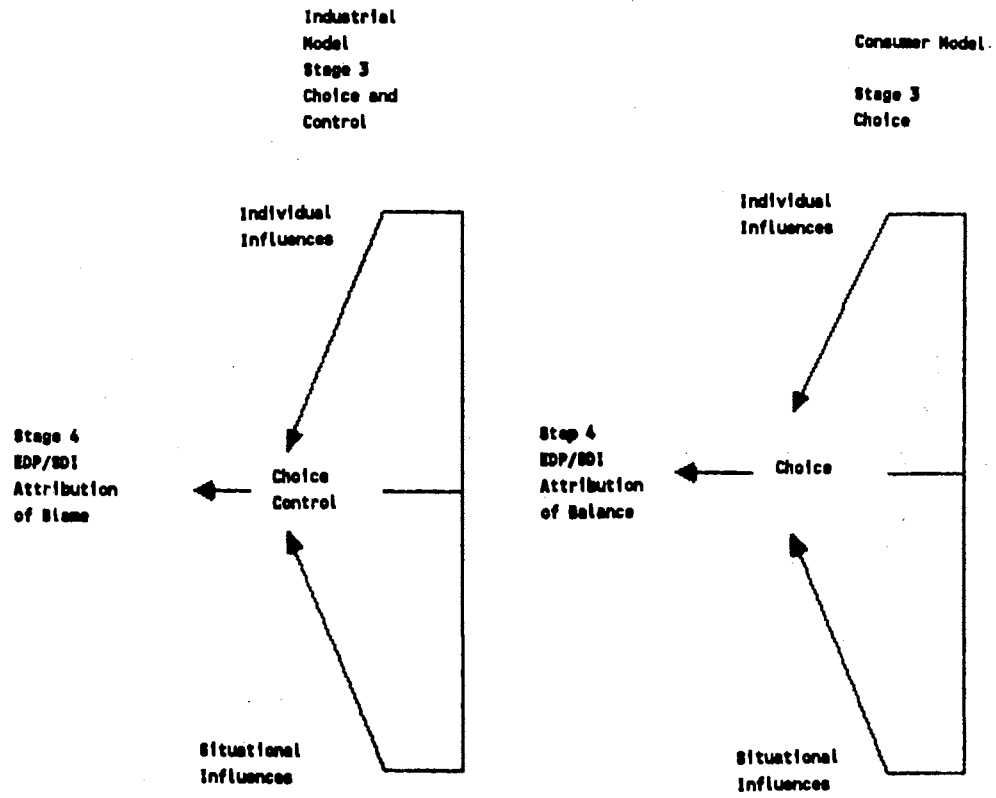


Figure 2-10. A Comparison Between Consumer Complaint Model and Organizational Complaint Model

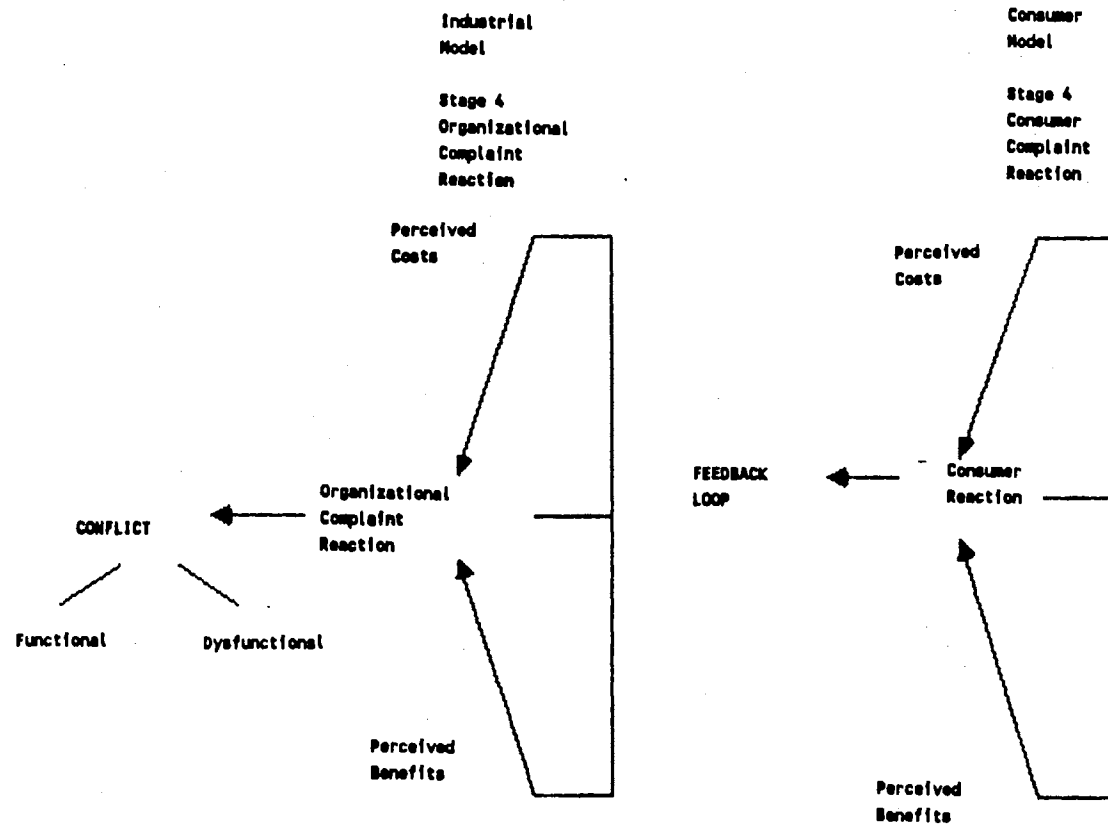


Figure 2-11. A Comparison Between Consumer Complaint Model and Organizational Complaint Model

## CHAPTER III

### RESEARCH METHODOLOGY

#### Introduction

The review has shown deficiencies to exist in the organizational marketing literature. It has argued the need for recognizing the construct of organizational complaint behavior. The review provides the framework to conceptualize organizational complaint behavior, using the consumer literature as its theoretical bases. The purpose of the review and the subsequent study is to propose the introduction of complaint behavior into the organizational literature.

The study uses a modified version of the research methodology put forth by Furse, Punj, and Stewart (1984) and Jagdip Singh (1990). Using this methodology, Furse, Punj and Stewart (1984) identified individual search strategies among purchasers of new automobiles, while Singh (1990) identified typologies of consumer complaint behavior. More specifically, Singh (1990) sought (1) to use empirical data to isolate distinct clusters of complaint response styles to dissatisfying experiences, (2) to investigate the of the proposed typology, and (3) to investigate the characteristics that differentiate among consumers who use different complaint response styles. The literature review provides a foundation for the recommendation of adding the construct of complaint behavior to the organizational literature. The basic research questions asked in this study are the following:

- (1) What types of distinct complaint response styles are used to communicate dissatisfaction from an organizational perspective?
- (2) Can typologies of organizational complaint response styles be validated?

- (3) Is it possible to identify the characteristics that predict these various complaint response styles?

### The Study

To answer the first two research questions, a measure of complaint behavior intentions will be used in an adapted form and validation approach. This approach will allow for the advancement of clear and rich profiles of organizational complaint behavior response styles. Finally, to answer the third research objective, this study will parallel previous consumer complaint behavior research by using individual and situational influences to predict organizational complaint behavior. The review has cited several influences for study. The influences that will be looked at in the study include organizational adaptations of consumer influences such as age, income, and education (ie. length of time purchasing agent has done business with supplier; annual revenue; and years as a purchasing manager). Influences mentioned from the organizational literature are goal incompatibility, domain dissensus, differing perceptions of reality, type of power. The following are examples of the measures used.

### Measures

Complaint behavior will be measured using a adapted thirteen-item categorical scale involving (definitely no, definitely yes, and no information) answers. This particular measure has been used by various authors (ie. Bearden and Teel, 1983; Singh, 1990). Coefficients of reproducibility and scalability were reported by Bearden and Teel (1983) to range from .78 - .98. This scale was adapted not only to fit an organizational setting but to retain its initial denotation. For instance, the first item used by Bearden and Teel (1983) to measure complaint behavior asked the consumer if he/she would warn family and friends about the situation. Clearly, this type of complaint behavior does not apply to an organizational setting. Therefore, the item was adjusted to read: spoke with other agents in my firm about the

dissatisfying experience with this supplier to arrive at a remedy. Therefore, based on these guidelines the following items will be used to measure complaint behavior.

\_\_\_\_\_ 1. Decided to do nothing about the dissatisfying experience.

Definitely No			Definitely Yes		No. Information
1	2	3	4	5	

\_\_\_\_\_ 2. Immediately requested that the supplier take care of the problem.

Definitely No			Definitely Yes		No. Information
1	2	3	4	5	

\_\_\_\_\_ 3. Spoke with other purchasers in my firm about the dissatisfying experience.

Definitely No			Definitely Yes		No. Information
1	2	3	4	5	

\_\_\_\_\_ 4. Kept the product, but complained to the supplier.

Definitely No			Definitely Yes		No. Information
1	2	3	4	5	

\_\_\_\_\_ 5. Reworked unsatisfactory material and charge supplier cost of rework.

Definitely No			Definitely Yes		No. Information
1	2	3	4	5	

Figure 3-1. Complaint Behavior Scale

\_\_\_\_\_ 6. Returned product for replacement or refund.

Definitely No			Definitely Yes			No. Information
1	2	3	4	5		

\_\_\_\_\_ 7. Recommended that our firm not buy from the supplier again.

Definitely No			Definitely Yes			No. Information
1	2	3	4	5		

\_\_\_\_\_ 8. Described the bad experience to purchasing agents in other firms.

Definitely No			Definitely Yes			No. Information
1	2	3	4	5		

\_\_\_\_\_ 9. Wrote a letter to the trade press about the experience.

Definitely No			Definitely Yes			No. Information
1	2	3	4	5		

\_\_\_\_\_ 10. Contacted the appropriate trade association about the experience.

Definitely No			Definitely Yes			No. Information
1	2	3	4	5		

\_\_\_\_\_ 11. Contacted appropriate government and/or private agencies about the dissatisfying experience.

Definitely No			Definitely Yes			No. Information
1	2	3	4	5		

Figure 3-1 (Continued)



\_\_\_\_\_ 12. Called for third party arbitration to resolve the problem.

Definitely No			Definitely Yes		No. Information
1	2	3	4	5	

\_\_\_\_\_ 13. Advised my firm to take legal action against the supplier.

Definitely No			Definitely Yes		No. Information
1	2	3	4	5	

Figure 3-1 (Continued)

Complaint Behavior Intentions will be measured using a thirteen-item, six-point Likert scale with very likely and very unlikely at opposite ends of the scale. This scale was developed by Singh (1990) based upon the earlier contributions of Day (1984) and Richins (1983). Singh (1990) selected these items to measure complaint behavior intentions given three criteria. First, the measure must be consistent with previous research and conceptual definitions. Second, the items must possess symmetry across various sectors. In other words, the items must possess the characteristic of adaptability, to be useful for measuring complaint behavior intentions across different environments and industries. Third, the measure must possess multiple items for measuring each dimension of the construct. Singh (1990) reported an overall reliability of .83 on this scale, with reliability estimates on each of the three dimensions ranging from .75 - .84. The following is an adapted version of Singh's (1990) scale for measuring complaint behavior intentions.

Complaint Behavior Intentions - Adapted from Singh (1990)

Please imagine that another dissatisfying experience similar to the actual incident that you described above just took place. Please circle how likely or how unlikely you are to respond as indicated below to this dissatisfying experience:

1. Do nothing about the experience

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

2. At the time of next order, definitely complain to the supplier about the experience.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

3. Decide not to deal with the supplier again.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

4. Immediately request that the supplier take care of the problem.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

5. Discuss the dissatisfying experience with other personnel in my firm.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

6. Rework unsatisfactory material and charge supplier cost of rework.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

Figure 3-2. Complaint Behavior Intentions Scale

7. Return the product for replacement or refund.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

8. Write a letter to the trade press about the experience.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

9. Describe the bad experience to purchasing agents in other firms.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

10. Complain to a trade association and ask them to help resolve the situation.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

11. Report the incident to the appropriate agencies so they can warn others.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

12. Call in third party for arbitration to resolve problem.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

13. Decide to take some legal action against the supplier.

very unlikely  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  very likely

Figure 3-2 (Continued)

Perceptions, communications, goal incompatibility, and dependence of the purchasing agent toward the supplier will be measured using adapted scales put forth by Etgar (1979). Etgar (1979) developed and used these scales to measure each of the above constructs in a field study involving intrachannel behavioral relationships between manufacturers and dealers. Basically, Etgar (1979) was investigating the effects of attitudinal and structural differences among channel members and conflict. No reliability assessments for these scales were taken, but the Etgar (1979) study is considered to be important research in understanding what might cause conflict in an organizational setting. Each purchasing agent will be asked if they agree or disagree with the following statement with relation to their interaction with the supplier.

Perceptions of reality- Adapted from Etgar (1979)

1. I have more knowledge about suppliers in a particular market than this supplier expects me to have.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

2. I don't view this supplier as a rival, instead of partner, within the industry.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

3. This supplier doesn't think that he/she is irreplaceable.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

Figure 3-3. Perceptions of Reality, Communications, Goal Incompatibility, Dependence, Domain Dissensus Scales

4. The supplier and I have different opinions about the real nature of competition in this industry.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

5. This supplier rarely helps me and my firm when competition in the industry intensifies.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

Communications - Adapted from Etgar (1979)

1. This supplier informs me in a timely manner about out of stock items.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

2. This supplier is well equipped to serve his/her market promptly.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

3. This supplier is often late in informing me and my firm about problems arising from the introduction of new products or supplies.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

4. I rarely annoy this supplier by cancelling orders.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

5. Merchandise is seldom incorrectly labeled or handled by the supplier's distribution staff.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

Figure 3-3 (Continued)

Goal Incompatibility - Adapted from Etgar 1979

1. I always buy enough to make my firm a profitable customer for this supplier.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

2. This supplier needs to make order processing and distribution operations more effective.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

3. I often feel that this supplier does not concentrate enough on me, the customer.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

4. This supplier is primarily concerned with his/her own profitability and is not concerned with his/her customer's best interests.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

5. This supplier needs to improve procurement activities to maintain more appropriate inventory levels.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

Dependence

1. My firm has a long-term contract with this supplier.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

2. My firm considers this supplier's company a major business partner.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

Figure 3-3 (Continued)

3. The purchases we have with this supplier don't contribute substantially to our firm's profit.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

4. My firm's policies, goals, and resources does not include a strong commitment to this supplier.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

5. It would be very difficult (i.e. effort and cost) for my firm to replace this supplier and substitute a competitor's products.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

6. This supplier is also a major customer.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

#### Domain Dissensus

1. This supplier wants to influence my firm's choice of markets to serve.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

2. This supplier does not want control over issues my firm should control, especially in the area of merchandise assortment that I buy.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

3. This supplier wants control over issues my firm should control, especially in the types of technology to use.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

Figure 3-3 (Continued)

Power - Adapted from Wilkinson (1979)El-Ansary and Stern (1972)

In measuring power, both coercive and noncoercive items have been formulated. The basic structure of each item found below is taken from Wilkinson (1979) where he tested the relationship among five sources of power and satisfaction. Some of the basic issues that each statement addresses comes from El-Ansary and Stern (1972), where they measured power relationships between wholesalers and dealers. Others came from Lascelles and Dale (1989) and Lusch (1976).

Expertise

1. I don't respect this supplier's competence and good judgment when we have to solve joint problems.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

2. I respect this supplier's technical expertise about matters related to long-term purchasing agreements.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

Figure 3-4. Expertise, Legitimacy, Referent, Punishments, Rewards Scales



3. I don't respect this supplier's expertise about matters related to inspection of materials before shipment.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

### Legitimacy

4. This supplier has the right to expect cooperation from me and my firm regarding delivery of purchases.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

5. This supplier doesn't have the right to determine the final selling price for his products.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

6. This supplier has the right to expect cooperation from me and my firm regarding product choice and/or substitutions.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

### Referent

7. This supplier complies with the legal requirements of our relationship.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

8. This supplier usually acts in a way that merits my respect.

strongly disagree  $\frac{\quad}{1} \frac{\quad}{2} \frac{\quad}{3} \frac{\quad}{4} \frac{\quad}{5}$  strongly agree

Figure 3-4 (Continued)

Punishments

8. This supplier can apply pressure and penalize our firm if we complaint about his/her service quality.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

9. This supplier can apply pressure and penalize our firm if we do not pay promptly for our purchases.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

10. This supplier can apply pressure our firm to buy products we don't need to order to get products we want.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

Rewards

11. This supplier provides special help and benefits to firms which:

- a. cooperate by providing access to important market information

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

- b. cooperate by buying in large lots.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

- c. provide important financial and business advice.

strongly disagree  $\frac{\quad}{1}$   $\frac{\quad}{2}$   $\frac{\quad}{3}$   $\frac{\quad}{4}$   $\frac{\quad}{5}$  strongly agree

Figure 3-4 (Continued)

### Pre-test

A panel of 10 experts in the marketing and management area will be assembled and asked to review the items in the organizational scales for face validity. Any items that cause confusion and/or are ambiguous will either be re-worded or eliminated from the measure. In addition, personal interviews will be conducted with 10 purchasing agents to review the organizational scales for relevant vocabulary and face validity. The purpose of this step is to determine if the language used in these items reflect the proper terminology used by purchasing agents. Finally, a category check list summarizing overall dissatisfying incidents that tend to occur frequently in an organizational setting will be generated. This list will be created from a review of the organizational literature and from personal interviews with purchasing agents.

### Data Collection

In the actual study, a random sample of 1200 purchasing agents from the Southern region of the United States will be solicited to respond to a survey. These purchasing agents subscribe to the publication entitled the Alabama Purchasor. Pre-notification of the impending research sponsored by the University of Alabama at Birmingham and a request to please take part in responding to the questionnaire will appear in the Alabama Purchasor one month prior to sending out the questionnaires. The following is the data collection procedure in outline form:

### Incident Recall

1. The purchasing agents were asked to recall a dissatisfying experience which they had with a supplier.

- 1a. They were also asked to describe the dissatisfying incident by checking from the list developed in the pre-test that which most accurately corresponded to the dissatisfying experience. If nothing from the list corresponded to their incident, they were allowed to briefly describe their dissatisfying incident.

#### Behavior Taken

2. The purchasing agents were asked to indicate on the behavior scale how they actually responded to the dissatisfying incident.
  - 2a. In addition they were asked if the response (checked on the behavior measure) resulted in the desired outcome. They were asked to respond to this question for each action taken.
3. Next, the purchasing agents were asked to respond to statements that describe their relationship with this key supplier. Internal and external influences were measured using five point Likert scales. Separation of the complaint behavior scale and the scale measuring complaint behavior intentions is important in order to reduce the effects of response bias.

#### Actions Intended for Future, Similar Situations

4. Finally, each purchasing respondent was asked to imagine that a dissatisfying experience similar to the actual incident just took place. Each individual was asked how he/she intends to respond to the imagined dissatisfying experience. They responded using the five point thirteen, ten item behavioral intention scale.

This approach helped to answer whether consistent and stable patterns of organizational complaint behavior exist across diverse episodes. In addition, this type of

research should yield a generalizable typology of organizational complaint behavior, rather than a typology that is bound to a specific situation (Singh, 1990, p. 75).

#### Method of Analysis

Factor Analysis: The behavioral intention data was factor analyzed to identify its dimensional structure. Factor analysis can be used with the objective of data reduction and summarization. Since this study used a scale previously developed to measure consumer complaint intentions, the main function of the factor analysis is to determine which items still remain in a scale of organizational complaint intentions. Items that do not load highly on a particular dimension should ultimately be eliminated from the scale. In addition, the eigenvalue one criteria was used to identify significant factors represented by the data. The eigenvalue one criteria applies in this particular case because component analysis is used as the factor analytic approach in cluster analysis. "The component analysis approach is used when the objective is to summarize most of the original information into a minimum number of factors to be used for predictive purposes" (Hair, et al., 1979, p. 247). Each dimension that comes out of the component analysis will be labeled. The factor scores corresponding to these dimensions are then used as input into a cluster analysis. "The factor score represents the degree to which an individual scores high on the group of items that load high on a factor" (Hair, et al., 1979, p. 247). Singh (1990) uses factors scores to remove interdependencies among the data. Thus the factor score shows that an individual possesses a high degree of a particular complaint behavior characteristic. Since a factor score is a composite measure of complaint behavior it can be used to predict in the initial clustering procedure.

Cluster Analysis: Using the factor scores as input into the cluster analysis, an initial set of clusters could be identified. Cluster analysis is used to identify individuals that are similar over some characteristic or criteria. The result of a cluster analysis should be high

internal homogeneity and high external heterogeneity. Since cluster analysis is used as an exploratory method, without a-priori expectations of groupings, the purpose of this procedure is to determine how many different cluster groupings of complaint behavior intentions exist among these purchasing agents. To identify appropriate cluster solutions, a dendrogram and a plot (analogous to the "scree test" in factor analysis) using the Ward's method and Euclidean distance solution is diagrammed. According to Green and Tull (1978) "the dendrogram provides a succinct and convenient way to summarize the clustering sequence" (p. 451). The plot also allows for the identification of the number of clusters at the point where the curve in the plot starts to flatten. The Ward's method and Euclidean distance are "designed to optimize the minimum variance within clusters" and is "widely used in the social science area" (Aldenderfer and Blashfield, 1984, p. 43). Clusters should represent consistent and stable patterns of complaint behavior response intentions across purchasing agents. A-priori was expected that three clusters would be produced in this clustering procedure. However, tests for a four and a five cluster solution were conducted.

Discriminant Analysis: Next, discriminant analysis was conducted making use of the raw behavior intention data as independent variables. The dependent variable used in this analysis was each cluster group generated in the above step. In the analysis Z-scores, univariate F's, and standard deviations were computed. To the extent that significant functions were arrived at, evidence for nomological validity exists.

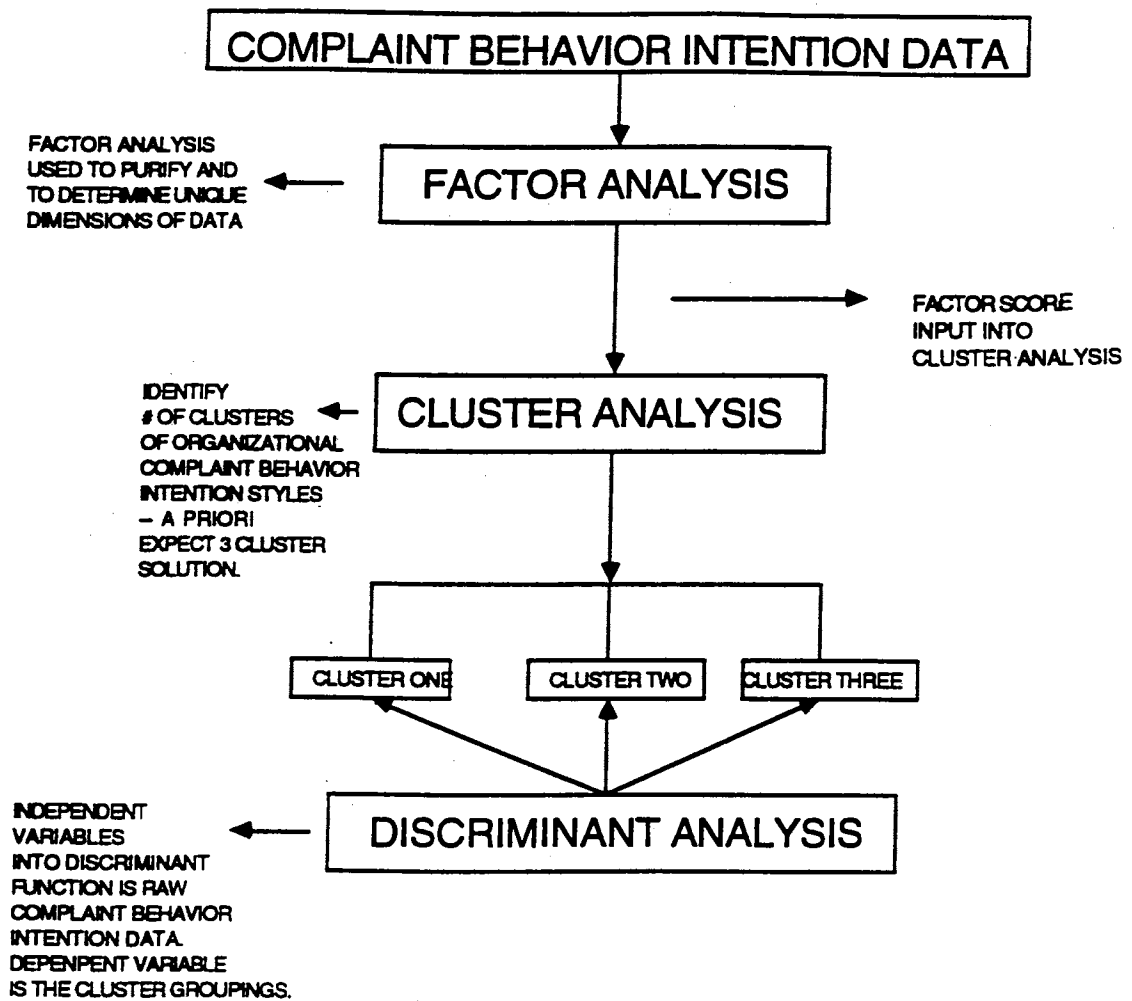


Figure 3-5. Cluster Validation Process

Differentiating Clusters by Influences: Finally, evidence for external validity has been pursued through research that has tried to differentiate between different consumer complaint behavior styles using individual and situational influences (ie. age, income, education, attitudes towards consumerism). In order to do this from an organizational perspective, one-way ANOVA can be run using individual influences (ie. length of time in relationship with supplier, annual income, expertise, coercive, and noncoercive power sources) and situational influences (ie. goal incompatibility, differing perceptions of reality, domain dissensus, and ineffective communications) as the dependent variables. The behavioral intention cluster groupings serve as the independent variables in the ANOVA. Basically, this test looked at how each one of these variables varies across cluster groupings. Main effect tests were run. F-values were used to determine rejection of the null hypothesis.

Discriminant Analysis: The last step in the external validation process calls for each individual and situational influence to be used as a predictor for group membership. Discriminant analysis is appropriate when numerous independent variables are used to differentiate between a-priori groups. Discriminant analysis is also appropriate when the independent variables are metric and the dependent variable is categorical (organizational complaint behavior response styles). In this procedure, a stepwise method of discriminant analysis is used because it is important to understand which variable has the best discriminating power in predicting (OCB) group membership. To determine which variable has the best discriminating power, partial F-values are calculated concerning each of the independent variables. Also a hold-out sample was taken from the total sample before the discriminant function is computed. Z - scores and hit ratios were determined in this analysis. Based on the above analysis sketches for the cluster groupings can be made. In addition, this analysis helps to answer whether individual and situational influences of this kind can predict different types of organizational complaint behavior.



## Implications and Conclusions

The review has shown deficiencies to exist in the organizational marketing literature. Specifically, there must be some recognition of how channel members respond to negative encounters with other channel members. In order to provide support for the organizational complaint behavior construct this study has been suggested.

The suggested method has the following implications. First, this method design formalizes the construct of organizational complaint behavior using an adapted methodological approach put forth by Furse, Punj, and Stewart (1984), and Jagdip Singh (1990). This approach "has been successfully employed in other areas of marketing research and has been suggested as the recommended method when the aim is to determine a parsimonious structure for similarities among people" (Singh 1990, p. 89). This favorable attestation is given because it allows the researcher to successfully develop valid typologies of organizational complaint behavior using self-report data gathered from various sources (ie. CEO's, purchasing agents, managers, consumers) .

Second, this method is appropriate to use in this situation because it yields a generalizable typology of organizational complaint behavior, rather than a typology that is bound to a specific situation (Singh, 1990, p. 75). Recognition of organizational complaint behavior has only briefly been mentioned, and has not been formalized. This method allows for the development of a typology of complaint behavior without being obligated to consider the effects of moderating variables such as involvement, product importance, and product complexity on the complaint process. However, in future research the effect of moderating variables must be studied to provide more specific evidence as to the circumstances leading to specific types of organizational complaint behavior. Nevertheless, at this stage of the development of the construct of organizational complaint behavior it is not appropriate to address specific typologies of organizational complaint behavior given that general organizational typologies of the construct have not been developed.

Third, the method is a systematic approach to understanding the nature of organizational complaint behavior. The organizational literature has not developed the construct of complaint behavior. The recognition of the organizational complaint behavior construct is necessary for comprehensive model building. Most organizational models acknowledge conflict as a post-(S/D) process, but no models admit that before conflict can take place there must be some form of complaint behavior. If some form of complaint behavior does not exist in a channel setting, then how can conflict take place? The method provides support for recognition of the organizational complaint behavior construct.

Four, the method uses scales previously developed to measure consumer complaint behavior. Slight adaptations of these scales are made in order to measure the organizational construct. Complaint behavior intentions are measured using a ten item, six-point likert scale developed by Singh (1990). Complaint behavior is measured using an adapted ten-item categorical scale developed by Bearden and Teel (1983) and Singh (1990). Both of these measures have been shown to be reliable and adaptable to various situations, environments, and industries. One obvious contribution of this type of research is that by using previous measures of consumer complaint behavior to measure organizational complaint behavior, parsimony across the consumer and organizational marketing literature is supported. Contributions to parsimony across the two general areas of literature are important because it fosters theory development that is more broadly applicable and generalizable to all marketing circumstances.

Five, it is expected that organizational complaint behavior has similar dimensions to that of consumer complaint behavior. As shown in the review, the organizational construct can be defined and predicted in much the same way that the consumer literature attempts to predict consumer complaint behavior. In addition, determinants of consumer and organizational complaint behavior can be partitioned using similar categories. In the review, process models are developed and diagrammed to be similar to each other (see page 57, 123).

to each other (see page 57, 123). These two conceptual models demonstrate that like processes exist across individual and situational influences over both the consumer and organizational complaint behavior literature. Theoretical support for this model building effort is provided by Fern and Brown (1984). Also, by bringing out various similarities between the consumer and organizational literature, an endorsement to argue against the separation of consumer and organizational complaint behavior is provided.

General implications of this research are numerous. Principally this research provides a framework for further theoretical and empirical contributions with regard to organizational complaint behavior. First, the initial post-purchase complaint behavior model should provide opportunities to refine the conceptualization into some type of causal model. Causal modeling of the organizational complaint process will allow for the testing of very specific relationships between a wide variety of variables. Second, the study of organizational complaint behavior has potential importance for marketers concerned with overseeing complaint behavior activity. Organizations should be in a better position to handle complaints when the variables influencing the complaint process are identified. Third, understanding variables influencing the organizational complaint process should lead to new approaches and techniques that firms can utilize to minimize complaint behavior and to help reduce the costs in handling complaint behavior activity. Four, organizations that spend time to understand the complaint behavior process will ultimately do a better job in customer retention, which will in turn effect the future profit of firms. Overall, this type of research contributes to the literature by removing the distinctions and examining marketing phenomena for commonalities which provide the opportunity for developing more general marketing theory (Fern and Brown, 1984, p. 76). This approach also poses the potential for greater efficiency in acquiring and disseminating marketing knowledge (p. 76).

## CHAPTER IV

### ANALYSIS

#### The Sample

The mailing list for the Alabama Purchasor was acquired to produce an appropriate sample for this study. This mailing list is the property of the Purchasing Management Association of Alabama and the Alabama Purchasor. Permission was granted to use this mailing list on a one-time basis by Barton Cummings, Editor, and by Charlotte Ernest, President of the Alabama Purchasing Association. According to the Alabama Purchasor, 70% of its 4900 subscribers are purchasing managers and 30% are executives. Soliciting data from the membership ranks of professional purchasing associations to study buyer-seller relationships is well accepted. For example, the following empirical studies have drawn samples from the members of the National Association of Purchasing Management and the Purchasing Management Association of Alabama (Swan, Trawick, Rink, and Roberts, 1988; Day, Michaels, and Perdue, 1988; Trawick and Swan, 1981; and Trawick and Swan, 1979). Specifically, Swan, Trawick, Rink, and Roberts (1988) drew their sample from the Purchasing Management Association of Alabama (PMMA) and found the respondents to be classified as follows: 52% were buyers/purchasing agents, 41% purchasing management, while 6% had other titles. The sample drawn in this study was also from the PMMA and found the respondents to be classified as follows: 43.82% as purchasing managers and agents, 45.66% as management personnel (Owner/President, Vice President, and Upper/Middle/Lower Management) while 5.55% as staff. Based upon the accepted use of samples from these professional associations and the above cursory comparison, the sample used in this study should provide representative results typifying purchasing agents in general.

An overall descriptive analysis of the mailing list places approximately 1600 subscribers to live in the following states: Pennsylvania, Delaware, Virginia, North Carolina, Georgia, Florida, Tennessee, Mississippi, Kentucky, Arizona, Utah, and Oregon. Approximately 3300 subscribers live in Alabama. Each month the Alabama Purchasor is sent to all subscribers in Alabama. The subscribers in the other states receive the magazine on a rotation basis. Therefore, the Alabama Purchasor is consistently received every month only by the Alabama subscribers.

The methodology used in this study required a pre-notification letter to be sent to subscribers on the inside cover of the Alabama Purchasor. The questionnaire then was to be sent about five days after the monthly edition of the Purchasor was mailed. This would give subscribers sufficient time to read the Purchasor and the pre-notification letter before they received the questionnaire. A copy of the pre-notification letter is displayed in Figure 4-1.

To: Alabama Purchasor Subscribers  
Your help is urgently needed.

A questionnaire will be sent to a select group of subscribers of the Alabama Purchasor in July. This questionnaire, which should take less than 15 minutes to complete, deals with relationships between purchasing agents and their suppliers, with special attention to problem situations. This research is being conducted by a faculty member at The University of Alabama at Birmingham, with the cooperation of the Alabama Purchasor and the Purchasing Management Association of Alabama.

Summary results will be published in the Alabama Purchasor, and extended research results will be presented to the local Birmingham chapter at one of their monthly meetings. The results of this research should provide useful insights into complaint behavior--why it occurs, who is likely to complain, and how complaints can be managed.

Figure 4-1. Pre-notification Letter Sample

In today's quality and satisfaction minded environment, all of us could benefit from learning more about complaining behavior. Your views are deeply appreciated. Thank you for your help in completing this important questionnaire.

Sincerely,

Scott W. Hansen

Assistant Professor of Marketing, UAB

Figure 4-1 (Continued)

Because all 4900 subscribers do not receive the Purchasor every month, it was impossible to meet the above criteria (pre-notification letter contained in Purchasor, followed by the questionnaire) without mailing out the questionnaires over a four month time frame. Mailing the questionnaires over this time frame was discussed; however, the editor was not willing to supply his mailing rotation for the out of state subscribers. Without knowing the rotation, the mailing sequence (pre-notification followed by questionnaire) could not be fulfilled.

Therefore, the out of state subscribers were eliminated from consideration in the sample. This left 3300 subscribers living in Alabama to be considered as potential members to the sample. During examination of the list of Alabama subscribers, about 640 were eliminated from the sampling frame because the addresses were associated with individuals who subscribe to the Purchasor, but may not be currently employed or were addresses that belonged to governmental bodies or associations (i.e. Fairfield Chamber of Commerce, Bessemer Chamber of Commerce, Alabama Poultry and Egg Association). This left a population of 2660 subscribers in Alabama that could be considered for admission into the sample.

A simple random sample was drawn from the eligible 2660 subscribers in Alabama. To assure that each element in the population had an equal chance of being included in the

sample, the sample was taken using SYSTAT's (1992) built in random number generators. The particular algorithm used generates a uniform distribution of random integers. A number was assigned to each Alabama subscriber in the overall list of 2660, and SYSTAT generated 1200 random numbers to identify names to be selected.

A pre-notification letter went out on the inside cover of the Alabama Purchasor on July 15. A mail survey and a cover letter describing the purpose of this research was mailed out on July 21, 1992. A copy of the cover letter appears in Figure 4-2.

July 21, 1992

Mr. John Doe  
1234 Vestavia Hills  
Company XYZ  
Birmingham, AL 35294-4460

Dear Mr. Doe:

Competition in today's marketplace is extremely tough. Satisfying present and potential customers must be a priority. Organizations that listen and respond properly to their clientele's complaints are more profitable. Insights into organizational complaint behavior-- why it occurs, who is likely to complain, and how complaints can be managed--will be addressed in this research.

Because you are a select group of subscribers to the Alabama Purchasor, it is extremely important to us that you take fifteen minutes to answer the following questions. This questionnaire has been designed to specifically study relationships between purchasing agents and their suppliers, with special attention to problem situations. If you have received this questionnaire and you are not responsible for purchasing, please ask an appropriate person to fill out this survey. Also, in order for these results to be truly representative of the Purchasing Management Association of Alabama, we need your response. You may be assured of complete confidentiality. Your name will never be placed on the questionnaire.

As noted in the June-July issue of the Alabama Purchasor, this research is being conducted at the University of Alabama at Birmingham (UAB), in cooperation with the Alabama Purchasor and the Purchasing Management Association of Alabama. Summary results will be published in the Alabama Purchasor. You may request your own copy of the summary by writing me at the above address.

I would be happy to answer any questions you might have about this project. Please write, or call (205) 934-8850. Thank you for your time and assistance in this project.

Sincerely,

Scott W. Hansen  
Assistant Professor of Marketing

Figure 4-2. Cover Letter Sample

August 31

Mr. John Doe  
 1234 Vestavia Hills  
 Company XYZ  
 Birmingham, AL 35294-4460

Dear Mr. Doe:

About a month ago you received a questionnaire seeking your comments about a dissatisfying experience you have had with a key supplier. Each question was specifically designed to measure some aspect of your complaint behavior regarding that situation. As of today your questionnaire has not been received.

This study will be helpful to you and your company by suggesting how complaints within a buyer relationship might be managed more efficiently. A number of people have already requested the extended results of this research. But in order for the results to be representative of purchasers in Alabama, more responses are needed. I realize that summer is a busy time for all of us, and possibly your questionnaire was lost or misplaced. In this event, a replacement has been enclosed.

This research is being conducted at the University of Alabama at Birmingham, in cooperation with the Alabama Purchasor and the Purchasing Management Association of Alabama. Summary results will be published in the Alabama Purchasor. Please spend 10-15 minutes and respond to this request today! If you have comments or questions about this project, don't hesitate to call me a 205-934-8850. Your help is greatly appreciated - thank you for your time.

Sincerely

Scott W. Hansen  
 Assistant Professor of Marketing, UAB

Figure 4-3. Questionnaire Cover Letter Sample

TABLE 4-1  
 RESPONSE RATE

	# Mailed	#Received	Response Rate	Usable Response	Usable % Rate
First Mailing	1200	71	5.92%	63	5.26%
Second Mailing	1131	130	11.49%	99	9.00%
Sample Size	1200	201	16.75%	162	14.26%



Each survey and cover letter was mailed in an envelope with the logo of the University of Alabama located in the top left hand corner of the envelope, along with the return address. In addition, the respondents were requested to mail back their completed questionnaires in the business reply envelope provided. This return envelope was addressed to the marketing department at UAB in care of Professor Scott Hansen.

It was apparent by August 17 that the first mail returns were not going to reach an acceptable response rate, so a second mailing was sent to the individuals who had not yet returned their questionnaires. The second mailing sent approximately 1131 questionnaires (to those who did not respond to the first mailing), accompanied by a new cover letter designed to persuade respondents to participate in this research. The letter is shown in Figure 4-3.

In order to improve the response rate, about 30 phone calls were made to various individuals who did not respond to either mailing. During this phone calling session, it was found that in at least six cases the survey was sent to someone to whom it did not apply, who refused to fill it out, was deceased or no longer working at that company. In addition, the non-usable surveys sent back also lowered the potential number of possible responses. Most of these non-usable cases were caused by the following reasons: not applicable, wrong address, returned to sender, and refused to respond. The following table shows the overall response rate received in this study.

### Nonresponse Bias

It is important to discuss nonresponse bias in this study. Low response rates do imply a source of bias and thus will limit the validity of this study. However, several reasons can be given for this somewhat low response rate which might reduce cause for concern. First, the survey was rather long, consisting of four complete pages. Several people had made comments during the pre-test that they thought the survey was too long. Therefore, a great deal of time was spent after the pre-test to shorten and improve the survey design to use space efficiently. Still, there were a large number of constructs to be measured, making it quite difficult to keep the survey under four pages. Second, the questionnaire did appear to be complicated and difficult to fill out. In fact, several people who did respond to the questionnaire wrote short notes stating that the questionnaire was somewhat difficult to understand. This point has also been addressed in the pre-test, where 20 academicians and purchasing agents were asked to make suggestions for improving the survey tool. The clarity of instructions and questions were addressed extensively during this process, helping to simplify the survey greatly. Still, misunderstandings associated with the appearance of difficulty in the survey were not totally eliminated. Third, the questionnaire revolved around a dissatisfaction that purchasing agents had with a key supplier, and it is entirely possible that the agents have had no recent dissatisfying experience. Many purchasing agents have worked out detailed contracts with their suppliers outlining various options that they can take in case a dissatisfying experience arises. If satisfaction is not obtained, in many cases arbitration would be called for in their contracts. In fact, several people responded that they had long standing contracts with their suppliers and that dissatisfying experiences were rare.

Probably the most frustrating reason that can be given for the poor response rate, especially with the first mailing, was that the pre-notification letter was not mailed out on the cover of the Alabama Purchasor until after the questionnaires were sent out. The Alabama Purchasor was scheduled to go out on August 15 but was delayed because of a contract

dispute between the editor and the association. This meant that the sample in the first mailing did not have the privilege of receiving the pre-notification letter before the survey went out. The surveys did go out on schedule (July 21), with a cover letter talking about the research and why it was being conducted. The discussion in the cover letter would have made more sense to respondents if they had been able to read the pre-notification letter before receiving the survey.

In order to address the issue of non-response bias as a limitation to this study, the total sample of usable surveys were divided into two groups: the respondents in the first mailing and the respondents in the second mailing. The null hypothesis of no difference was tested using t-tests. Means over several constructs for the first group were compared to means over several constructs for the second group. Theoretically, it is assumed that the second group of respondents are likely to be more similar to the non-respondent group than the first group (Cochran, 1977). Therefore, if the first group and the second group do not differ significantly, it is reasonable to assume that non-response bias is not a critical problem. Table 4-2 shows the results of each comparison.

TABLE 4-2  
RESULTS OF T-TESTS BETWEEN FIRST AND SECOND MAILING

<u>Construct</u>	<u>Items</u>	<u>Mean Diff.</u>	<u>T-Value</u>	<u>D.F.</u>	<u>Prob.</u>
Dependence	Rel(20),(32),(33),(34) (35),(36)	.292	1.778	61	.080
Punishment	Rel(28),(29),(30),	.097	.638	54	.526

TABLE 4-2 (Continued)

<u>Construct</u>	<u>Items</u>	<u>Mean Diff.</u>	<u>T-Value</u>	<u>D.F.</u>	<u>Prob.</u>
Communication	Rel(7),(8),(9),(10),(12)	.141	.958	58	.342
Perception	Rel(2-6)	.174	1.227	58	.225

Table 4-2 shows no significant differences between the data over four major constructs gathered in the first mail out versus the second mail out. This implies that early respondents are no different from late respondents, and thus no different from non-respondents in this study. Therefore, non-response bias does not seem to be a limitation to this research, at least as tested in this study.

### Reliability

Ten constructs were measured in this study. A detailed discussion regarding the origin of each of these measures and the items contained within appears in Chapter 3, entitled Research Methodology. As noted in that discussion, reliability has never been calculated on any of these scales except for the behavioral intentions scale developed by Singh. Singh (1990) reported an overall reliability of .83 for this scale, used within a consumer complaint behavior setting. Singh's scale was adapted in this study to measure complaint behavior intentions from an organizational perspective. Therefore, it was entirely likely that its reported reliability would be quite different and possibly lower when used in an organizational setting.

The reliability of a measure is important because it is a necessary condition for establishing validity of that measure. According to Churchill (1979), "coefficient alphas absolutely should be the first measure calculated to assess the quality of an instrument". Low

reliability scores indicate that the measure does not adequately sample the domain of a construct.

One of the questions addressed in this study is: Can measures used entirely in a consumer setting be adapted and used to measure similar constructs in an organizational setting? In order to answer this question, Churchill's paradigm for the creation and purification of constructs could not be followed step-by-step because the process might significantly change the scales used in past studies. Therefore, all scales were used as they appeared in the consumer literature, with only slight modifications made to address communication inadequacies. If all constructs had been subjected to the rigorous scrutiny of Churchill's paradigm, high internal consistency on each scale would be expected. However, this study was exploratory in nature and according to Nunnally (1967) reliabilities of .50 are sufficient. Table 4-3 shows Cronbach's alpha for each measure used in this study.

TABLE 4-3  
ALPHA RELIABILITIES OF ALL CONSTRUCTS

<u>Construct</u>	<u>Items in Scale</u>	<u># of Items</u>	<u>Cronbach Alpha</u>
1. Behavioral Intentions	Behint (1-13)	13	.6402
2. Punishment	Rel (28-30)	3	.6216
3. Domain Dissensus	Rel(1),Rel(11), Rel(17)	3	.5154
4. Communications	Rel(7-10), Rel(12)	5	.5441
5. Dependence	Rel(20),Rel(32-36)	6	.7099
6. Goal Incompatibility	Rel(13-16)	5	.6903
7. Perceptions of Reality	Rel(2-6)	5	.5010

TABLE 4-3 (Continued)

<u>Construct</u>	<u>Items in Scale</u>	<u># of Items</u>	<u>Cronbach Alpha</u>
8. Legitimacy	Rel(23),(25),(26)	3	.2983
9. Expertise	Rel(18),(21),(22)	3	.7101
10. Referent	Rel (24),(27)	2	.6182
11. Rewards	Rela(31),Relb(31),Relc(31)	3	.7561

In reviewing these measures, one scale, legitimacy was calculated to have an estimate of reliability below .50. One of the main reasons for low alphas in scales concerns the number of items used to measure the construct. Cronbach's alpha is very sensitive to the quantity of items in the scale; in general, as the number of items increases so will their alpha also increase. This scale has only three items; thus, its alpha is likely to be small. In addition, another possible reason for a low alpha in this scale is that the items somehow do not empirically represent the same theoretical construct. However, in looking at each item in the scale, it is not evident that they are measuring differing constructs. In other words, the scale does seem to have face validity. Therefore, it is assumed that from a practical standpoint, Cronbach "alpha does not provide an optimal estimate of reliability when the items that make up the composite are heterogeneous to one another" (Zeller and Carmines, 1980, p. 60). Even though the scale has a low alpha, it was left in the analysis because the face validity was very strong.

### Descriptive Demographic Analysis

The one hundred and sixty-two individuals who responded to the survey represented 57 different job titles. In an effort to create some parsimony among job titles, six different summary categories were created. Each individual was assigned to one of the six job categories: owner/presidents; vice presidents; upper/middle/lower managers; purchasing managers/purchasing agents; staff; and accounting.

TABLE 4-4  
JOB TITLES

<u>Job Titles</u>	<u>Number</u>	<u>%</u>	<u>Cum%</u>
Owner/Presidents	27	16.66	16.66
Vice Presidents	17	10.49	27.15
Upper/Middle/Lower Managers	30	18.51	45.66
Purchasing managers and agents	71	43.82	89.48
Staff	9	5.55	95.04
Accounting	3	1.85	96.89
No Response	5	3.11	100.00

Table 4-4 shows that purchasing agents and managers represent the largest single group that responded to this survey. The table also shows that many other types of employees can and do handle purchasing type functions. One possible reason that the purchasing function is handled by such a diverse group of people is that many companies that responded to this survey were rather small.

**TABLE 4-5**  
**COMPANY SIZE IN NUMBER OF EMPLOYEES**

<u>#of Employees</u>	<u>Number</u>	<u>%</u>	<u>Cum. %</u>
0-5	7	4.3	4.3
6-25	31	19.1	23.5
26-50	16	9.9	33.3
51-100	19	11.7	45.1
101-250	21	13.0	58.0
251-500	17	10.5	68.5
501-1000	12	7.4	75.9
over 1000	39	24.1	100.00

Table 4-5 shows that 45.1% of all the companies that responded to this survey employed 100 people or fewer. Because these companies are small, it is necessary for individuals to have a multi-task orientation. In addition, the individuals who have been performing the purchasing function have been doing it for quite some time. It would seem that versatility among employees is extremely important in light of the present economic situation, in which many companies are consolidating and downsizing their workforce.



TABLE 4-6  
PURCHASING EXPERIENCE

<u>Purchasing Experience</u>	<u>Number</u>	<u>%</u>	<u>Cum.%</u>
0-6 years	30	18.5	18.5
7-12 years	37	22.8	41.3
13-16 years	18	11.1	52.4
17 or more years	72	44.4	96.8
No response	5	3.2	100.00

Table 4-6 indicates that 55.5% of the individuals taking on purchasing responsibilities for their company have been working in this capacity for 13 years or more. These people are not only very experienced in the purchasing area, but also are well educated.

TABLE 4-7  
EDUCATION LEVEL

<u>Education level</u>	<u>Number</u>	<u>%</u>	<u>Cum%</u>
H.S./Some College	40	24.7	24.7
2 Yr. College Degree	24	14.8	39.5
4 Yr. College Degree	84	51.9	91.4
Graduate Work	3	1.9	93.3
Master's Degree	10	6.2	99.4
Special Training or Sem.	1	.6	100.00

60.0 % of these individuals have a four yr. college degree, either with some graduate work or with a graduate degree. This is far above the educational achievements of the overall population in the United States. Education among these employees seems to be extremely high, probably with good reason. For example, we have seen that these individuals are multi-task oriented, especially within the smaller organizations (this is implied given the large number of reported job titles). Obtaining a college degree does demonstrate to the employer that the employee is trainable. A college degree is extremely valuable where multi-task skills are required on the part of the employer. Finally, it can be seen that these companies, in addition to being small in size, are also small in annual revenue.

TABLE 4-8  
ANNUAL REVENUE

<u>Annual Revenue (\$)</u>	<u>Number</u>	<u>%</u>	<u>Cum%</u>
Less than 1 Million	13	8.0	8.0
1-10 Million	47	29.0	37.0
10-20 Million	12	7.4	44.4
20-50 Million	20	12.3	56.7
50-100 Million	14	8.6	65.3
100-200 Million	11	6.8	72.1
200 Million and Up	37	22.8	94.9
No Response	8	5.2	100.00

56.7% of the companies responding to this survey had annual revenues of \$50 million dollars or less. However, a wide range of company sizes are represented in this sample, not only by measure of annual revenue, but also by measure of the number of people employed. For example, 22.8% of the companies that responded to this survey had annual revenues of \$200 million and up. In addition, 24.1% of the companies that responded had over 1000 employees. This type of broad representation is important to the task of building a typology of complaint behavior response styles within an organizational setting.

#### Types of Dissatisfying Experiences

From Table 4-9, it can be seen that the most frequent dissatisfying experience these professionals faced was delivery not occurring as scheduled. Ninety-one of the 162 people, or 56.17% of the sample, stated that this type of experience occurred most frequently. Following close behind were dissatisfying experiences caused by wrong product delivered, defective products, problems with the salesperson, and no follow-up after the sale. Other dissatisfying experiences not recorded on the table but reported by respondents included "gone out of business", "never shipped product", "no technical support", and "problems related to credit issues".

Interestingly, the most frequently reported dissatisfying experience ("delivery not as scheduled") is also the most costly dissatisfying experience for these companies. One surprising piece of information regarding dissatisfying experiences is that they do not respect company size. For example, intuitive thinking would lead a person to believe that dissatisfying experiences would be less likely to occur in large companies, because large companies have more power within the buyer-supplier dyad. However, this was not the case. Table 4-10 shows the results of a chi-square analysis of differences across annual revenues in which each problem was analyzed separately. None of the dissatisfying incidents across annual revenue occurred at a rate significantly different from chance.

TABLE 4-9  
 TYPES OF DISSATISFYING EXPERIENCES, NUMBER OF OCCURENCES, AND MEAN COST

<u>Types of Dissatisfying Experiences</u>	<u>Number</u>	<u>%</u>	<u>Mean Cost of Materials</u>	<u>Mean Cost of Downtime</u>
1. Delivery not as scheduled	91	56.17	\$505,020	\$11,511
2. Wrong product delivered	40	24.69	\$58,569	\$655
3. Defective product	32	19.75	\$100,867	\$1728
4. Problems with salesperson	26	16.05	\$309,584	\$3738
5. No follow-up service	23	14.20	\$60,997	\$4008
6. Damage caused by poor packing or loading.	16	9.88	\$25,790	\$623
7. Inaccurate billing	14	8.64	\$34,483	\$1631
8. Order quantity problems	14	8.64	\$100,911	\$4418
9. Inappropriate price	9	5.56	\$19,813	\$413
10. Poor product design	7	4.32	\$124,795	\$5529
Overall Cost			\$296,453	\$7201

TABLE 4-10  
 CHI-SQUARE ANALYSIS ACROSS ANNUAL REVENUES

<u>Variable</u>	<u>Value</u>	<u>D.F.</u>	<u>Prob.</u>
1. Delivery not as scheduled	6.930	7	0.436
2. Wrong product delivered	1.921	7	0.964
3. Defective product	10.898	7	0.143
4. Problems with salesperson	14.516	7	0.412

TABLE 4-10 (Continued)

Variable	Value	D.F.	Prob.
5. No follow-up service	2.804	7	0.902
6. Damage caused by poor packing	3.742	7	0.809
7. Inaccurate billing	9.348	7	0.229
8. Order quantity problems	4.983	7	0.662
9. Inappropriate price	5.488	7	0.601
10. Poor product design	3.599	7	0.825

Note: Each problem was analyzed separately.

The same trend took place, with only slight exception when looking at company size as measured by the number of people a company employs. Table 4-11 shows a chi-square analysis of differences across company size as measured by the number of employees. This analysis demonstrates that larger firms employing over 1000 people were more likely to report "delivery not as scheduled" than any other size firm. The analysis also shows "no follow-up service" as being significantly different regarding larger firms over 1000 people. "Delivery not as scheduled" was less likely to be reported by larger firms over 1000 and "No follow up service" was more likely to be reported by larger firms over 1000. No consistent pattern exists and the rest of the reported dissatisfying experiences did not reach significance.

TABLE 4-11  
CHI-SQUARE ANALYSIS ACROSS COMPANY SIZE IN NUMBER OF EMPLOYEES

Variable	Value	D.F.	Prob.
1. Delivery not as scheduled	14.182	7	0.048
2. Wrong product delivered	12.954	7	0.073
3. Defective product	2.876	7	0.896
4. Problems with salesperson	10.190	7	0.748
5. No follow-up service	14.708	7	0.040
6. Damage caused by poor packing	6.576	7	0.474
7. Inaccurate billing	6.256	7	0.510
8. Order quantity problems	2.681	7	0.913
9. Inappropriate price	5.303	7	0.623
10. Poor product design	8.136	7	0.321

Note: Each problem was analyzed separately.

#### Factor Analysis of Behavioral Intentions Scale

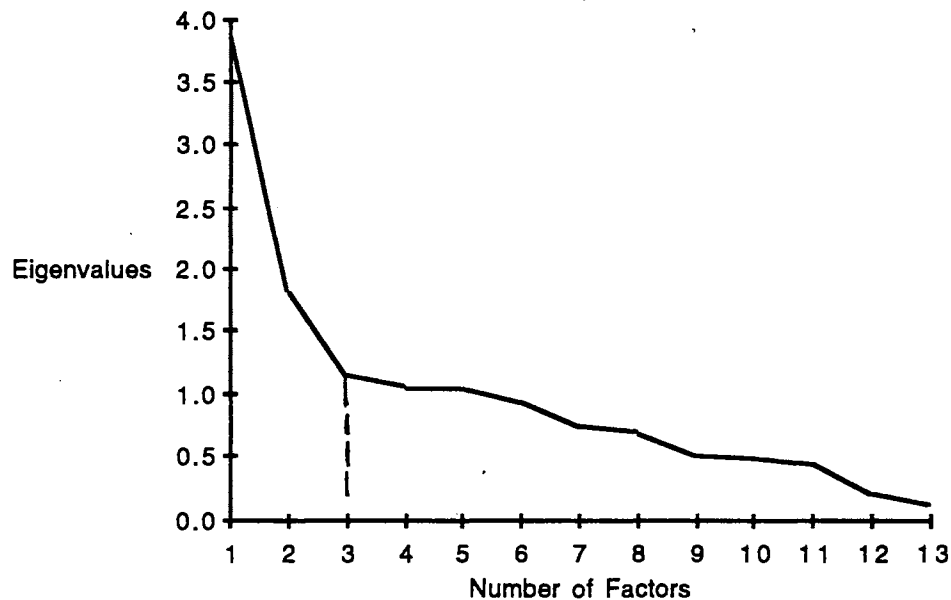
After profiling the sample and determining reasons for complaints in the past, respondents were asked what actions they intended to take if the reason recurred. This behavior intention scale is shown in Figure 3-2; p. 127-128. A factor analysis using the eigenvalue one criteria was performed on the behavioral intentions scale in order to analyze its dimensional structure. The component analysis approach to factor analysis was used because the objective is to summarize most of the original information into a minimum number of factors to be used for predicting cluster groupings. Based on the latent root

criterion, five factors were considered important in this analysis. All other factors were considered negligible and disregarded.

TABLE 4-12  
LATENT ROOT (EIGENVALUES) CRITERION  
FOR BEHAVIORAL INTENTIONS FACTORS

<u>Significant Factors</u>	<u>Eigenvalues</u>	<u>Insignificant Factors</u>	<u>Eigenvalues</u>
Factor 1	3.865	Factor 6	.925
Factor 2	1.818	Factor 7	.729
Factor 3	1.142	Factor 8	.683
Factor 4	1.049	Factor 9	.512
Factor 5	1.033	Factor 10	.490
		Factor 11	.444
		Factor 12	.206
		Factor 13	.107

In addition to the latent root criterion, the scree test criterion was used to help determine an appropriate number of factors. The point at which the curve begins to straighten out is considered to indicate the maximum number of factors to extract. Based on an initial assessment using the latent root criterion and then using the scree test criterion, it would seem that the data best represent a three factor solution. Below are the results of the scree test criterion.



\*dashed vertical line represents optimal factor solution.

Chart 4-4. Scree Test for Behavioral Intentions Factors

In addition to the latent root and scree test criterion, the a-priori criterion was used to provide additional justification for choosing a three factor solution. In applying the a-priori criterion, the researcher already knows how many factors to extract before undertaking the factor analysis. Therefore, this criterion can be used as justification in instances where replication of other empirical research is the ultimate objective. Because others, including Singh (1990), found three factors using this scale in a consumer setting, it was a-priori expected that three factors would also fall out using this scale in an organizational setting. Therefore, with sufficient justification for a three factor solution, a varimax rotation was calculated. The following are the rotated loading patterns for a three factor solution.



TABLE 4-13  
ROTATED FACTOR LOADINGS ON BEHAVIORAL INTENTION SCALE

<u>Rotated Loadings</u>		<u>Factor 1</u>	<u>Factor 2</u>	<u>Factor 3</u>
Do nothing about the experience.	Behint(1)	0 .072	-0.007	<u>0.812</u>
Immediately request that the supplier take care of the problem.	Behint(2)	-0.409	0.282	<u>-0.583</u>
Discuss the dissatisfying experience with other personnel in my firm.	Behint(3)	-0.013	<u>0.647</u>	-0 .105
At the time of next order, definitely complain to the supplier about the experience.	Behint(4)	-0.104	<u>0.655</u>	0.002
Rework unsatisfactory material and charge supplier cost of rework.	Behint(5)	0.103	<u>0.324</u>	-0.206
Return the product for replacement or refund.	Behint(6)	-0.018	<u>0.337</u>	-0.182
Decide not to deal with the supplier again.	Behint(7)	0.146	<u>0.615</u>	0.157
Describe the bad experience to purchasing agents in other firms.	Behint(8)	<u>0.504</u>	0.467	0.259
Write a letter to the trade press about the experience.	Behint(9)	<u>0.864</u>	-0.021	0.200
Complain to a trade association and ask them to resolve the situation.	Behint(10)	<u>0.888</u>	0.026	0.020
Report the incident to the appropriate agencies so they can warn others.	Behint(11)	<u>0.885</u>	0.090	-0.050
Call in third party for arbitration to resolve problem.	Behint(12)	<u>0.760</u>	-0.148	-0.133
Decide to take legal action against the supplier.	Behint(13)	<u>0.646</u>	0.158	0.049

TABLE 4-13 (Continued)

Variance Explained by Rotated Factors	Percent of Total Variance Explained
Factor 1-3.783	Factor 1-29.098
Factor 2-1.880	Factor 2-13.843
Factor 3-1.242	Factor 3-9.554
	Total variance-52.495

Factor loadings were considered significant if they were greater than .30. This criterion is recommended for "sample sizes larger than 50 and is considered to be quite rigorous and acceptable" (Hair, Anderson, Tatham, and Black, p. 239). The table above shows that the three factor solution explains about 52.495% of the variance. According to Hair et al. (1992), it is not uncommon for an acceptable factor solution to explain less than 60% of the total variance (p. 237). Notice that Behint (2), "immediately request that the supplier take care of the problem", and Behint (8), "describe the bad experience to purchasing agents in other firms" both loaded on two dimensions. Behint (2) is the point where the dimensional structure of the scale changes from a no action dimension to a private action dimension. Behint (8) is the point where the dimensional structure of the scale changes from private action to a public action dimension.

Specifying a three factor solution, factor scores were generated. Factor scores for 29 respondents were impossible to calculate due to missing data. Therefore, factor scores were calculated for 133 observations.

### Cluster Analysis

Factor scores corresponding to a three factor solution were input into cluster analysis, so that an initial set of clusters could be identified. These clusters represent disparate groups of purchasing agents; each group exhibits different dimensions of complaint behavior when dissatisfied. The Ward's method of hierarchical clustering and Euclidean distances were used because this technique is designed to minimize variance within clusters and is widely used in the social science area (Aldenderfer and Blashfield, 1984, p. 43). Three, four, and five hierarchical cluster solutions were analyzed, using dendrograms and plots to help identify an optimum solution. In the dendrograms, distances between clusters at successive joining steps were calculated (the distances are arbitrary numbers between 1 and 50). Also, a plot of error resulting from the joining of clusters provided a guideline helpful in identifying the appropriate number of clusters. The successive error associated with each joining was observed. When a sudden increase occurs in this error, Hair, et al. (1992, p. 279) suggest considering this as an appropriate cluster solution. The values below represent the joining error between clusters. For example 21.542 represents the error associated with the joining of two of the two clusters.

TABLE 4-14

#### ERROR RESULTING FROM JOINING

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Error	<ol style="list-style-type: none"> <li>1. The joining of two of the two clusters- 21. 542 resulting in one cluster.</li> <li>2. The joining of two of the three clusters - 20. 864 resulting in two clusters.</li> <li>3. The joining of two of the four clusters - 16. 775 resulting in three clusters.</li> <li>4. The joining of two of the five clusters - 10. 847 resulting in four clusters.</li> <li>5. The joining of two of the six clusters - 7. 636 resulting in five clusters.</li> </ol>
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A plot of the resulting error is shown on the following page.

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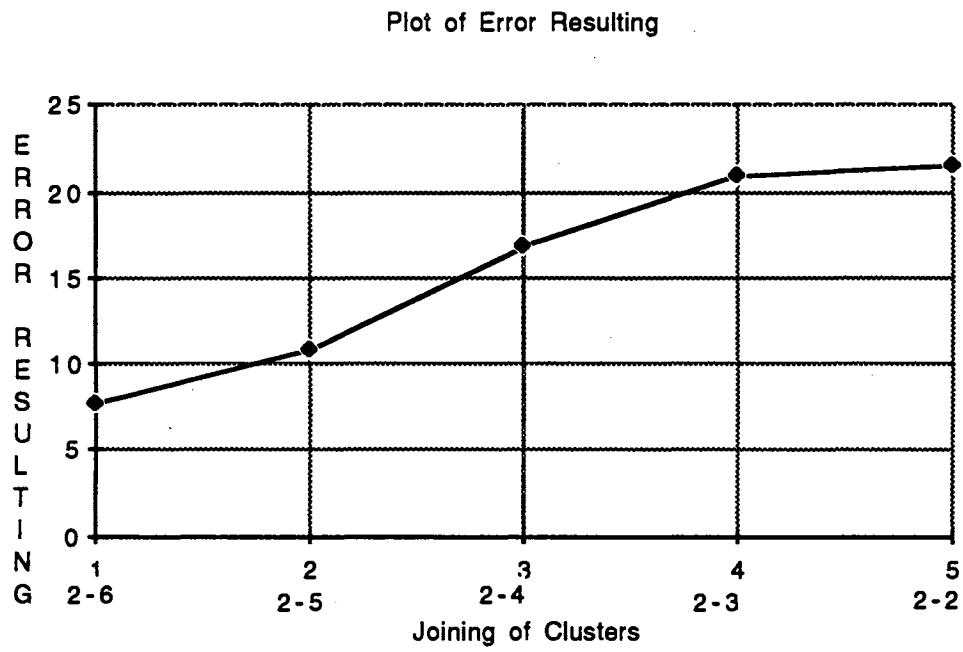


Figure 4.5 Plot of Error Resulting from Joining of Clusters

From the plot, the most sudden jump in error occurs when the joining of two of the four clusters to make three clusters takes place. This joining results in an error of 16.78. Because of this sudden jump, the interpretation is that a four-cluster solution is acceptable. To support this interpretation, the dendrogram shown in Appendix A clearly outlines a four cluster solution. The numbers on the right hand column represent the distance at which each observation joins a cluster.

## Discriminant Analysis

### Overview

Next, a discriminant analysis was conducted, using the raw behavior intention data as independent variables. The dependent variable used in this analysis was the cluster group within which the respondent fell. The purpose of this analysis was to see if significant discriminant functions could be formed from the raw intention data. If significant functions can be formed from such analysis, then evidence for nomological and convergent validity exists.

The first step in this analysis was a merging of the cluster groupings with the original data set, adding a cluster identification variable to the appropriate respondent. Because the factor analysis was unable to formulate factor scores for 29 observations, the cluster analysis was unable to assign these observations to a particular cluster; therefore the discriminant analysis dealt with the remaining 133 observations.

A simultaneous method of discriminant analysis was used in which all thirteen behavioral intention independent variables (Behint (1) - Behint (13)) were considered concurrently as members into the discriminant function. Univariate F's were calculated for each behavioral intention variable. In addition, the Wilk's Lambda, F-statistics, and chi-square statistics for the residual roots in each function were calculated. Finally, a

classification matrix was calculated showing validation of the discriminant function(s)' ability to predict group membership accurately. If the discriminant function predicted the respondent's membership to be in the same group that the cluster analysis had indicated, the discriminant analysis was determined to be accurate. The percentage correctly classified was calculated, along with the value of tau. Tau, a standardized measure of improvement, independent of the number of groups, compares the function's accuracy to the accuracy expected by random assignment (Klecka, 1980, p. 51). The maximum value for tau is 1.0; therefore, a tau of .93 states that the function(s) made 93% fewer errors than would be expected by random assignment. Below is the means table for each independent variable included in the analysis.

TABLE 4-15  
MEAN VALUE OF BEHAVIORAL INTENTION RESPONSES

(Scale: 1=Very Unlikely; 5=Very Likely)			
<u>Variable</u>	<u>Mean</u>	<u>Variable</u>	<u>Mean</u>
BEHINT (1) Do nothing about the experience.	1.211	BEHINT (7) Decide not to deal with the supplier again.	2.827
BEHINT (2) Immediately request that the supplier take care of the problem.	4.759	BEHINT (8) Describe the bad experience to purchasing agents in other firms.	2.293
BEHINT (3) Discuss the dissatisfying experience with other personnel in my firm.	4.195	BEHINT (9) Write a letter to the trade press about the experience.	1.466
BEHINT (4) At the time of next order, definitely complain to the supplier about the experience.	4.113	BEHINT (10) Complain to a trade association and ask them to help resolve the situation.	1.429

TABLE 4-15 (Continued)

(Scale: 1=Very Unlikely; 5=Very Likely)			
<u>Variable</u>	<u>Mean</u>	<u>Variable</u>	<u>Mean</u>
BEHINT (5) Rework unsatisfactory material and charge supplier cost of rework.	2.774	BEHINT (11) Report the incident to the appropriate agencies so they can warn others.	1.594
BEHINT (6) Return the product for replacement or refund.	4.308	BEHINT (12) Call in third party for arbitration to resolve problem.	1.361
		BEHINT (13) Decide to take some legal action against the supplier.	1.865

In addition, univariate analysis of variance was used to assess the significance between mean ratings on the behavioral intention variables for the four groups.

TABLE 4-16  
COMPLAINT BEHAVIORAL INTENTION SCALE

Summary Table of Univariate F-Tests		
Variable	F	P
Behint (1) Do nothing about the experience.	85.022 3,129	0.000
Behint (2) Immediately request that the supplier take care of the problem.	14.745 3,129	0.000

TABLE 4-16 (Continued)

Summary Table of Univariate F-Tests		
Variable	F	P
Behint (3) Discuss the dissatisfying experience with other personnel in my firm.	3.929 3,129	0.000
Behint (4) At the time of next order, definitely complain to the supplier about the experience.	6.335 3,129	0.000
Behint (5) Rework unsatisfactory material and charge supplier cost of rework.	2.364 3,129	0.074*
Behint (6) Return the product for replacement or refund.	3.268 3,129	0.023*
Behint (7) Decide not to deal with the supplier again.	15.586 3,129	0.000
Behint (8) Describe the bad experience to purchasing agents in other firms.	13.727 3,129	0.000
Behint (9) Write a letter to the trade press about the experience.	27.566 3,129	0.000
Behint (10) Complain to a trade association and ask them to help resolve the situation.	38.487 3,129	0.000
Behint (11) Report the incident to the appropriate agencies so they can warn others.	69.381 3,129	0.000
Behint (12) Call in third party for arbitration to resolve problem.	44.218 3,129	0.000
Behint (13) Decide to take some legal action against the supplier.	15.823 3,129	0.000

Preliminary analysis of the univariate F-tests showed that all variables except Behint (5), "rework unsatisfactory material and charge supplier cost of rework," and Behint (6), "return the product for replacement or refund," are significant at the  $p < .01$  level. Three discriminant



functions were formed in the simultaneous analysis, forming the following canonical correlations. Each canonical correlation measures the strength of the overall relationships between the discriminant function and the criterion set of variables (Hair, et al 1992, p.184).

TABLE 4-17  
SQUARED CANONICAL CORRELATIONS

	Canonical Correlation	Squared Canonical Correlations
Function 1	.915	.8372
Function 2	.816	.6658
Function 3	.655	.4290

Squared canonical correlations represent the amount of variance explained by their respective functions. As shown in Table 4-18, function one explains the most variance of all three functions. To confirm the significance of each function, chi-square statistics were calculated for each squared canonical correlation.

**TABLE 4-18**  
**CHI SQUARE ANALYSIS OF CANONICAL CORRELATIONS**

	Chi-square Statistic	D.F.	Prob.
Functions 1-3	428.405	39	0.000
Functions 2-3	204.470	24	0.000
Functions 3-3	69.074	11	0.000

Wilk's Lambda = 0.031

F-Statistic = 19.823    DF = 39,347    Prob. = 0.000

This analysis tells us that each function is significant at the .001 level; therefore, the functions are predicting cluster membership significantly better than random assignment.

Finally, a classification matrix was calculated to show the number of cases correctly classified in each cluster. "The proportion of cases correctly classified indicates the accuracy of the discriminant function and indirectly confirms the degree of group separation" (Klecka, 1980, p. 49). The proportion of correctly classified cases, along with overall Wilk's lambda, and the canonical correlations indicate the amount of discrimination contained in the variables (p. 50). The classification matrix is shown in Figure 4-6.

Groups By Actual Prediction					
	Group 1	Group 2	Group 3	Group 4	Total
Group 1	63	0	4	2	69
Group 2	0	13	0	0	13
Group 3	0	0	22	0	22
Group 4	2	0	1	26	29
Total	65	13	27	28	133

Figure 4-6. Classification Matrix

The classification matrix shows that only nine cases (or 6.766%) were mis-classified by the model; 93.23% of the cases were classified in their appropriate group. Also, a standardized measure (tau) was calculated to compare the function(s)' accuracy to the accuracy expected by random assignment (Klecka, 1980, p. 51). The calculated tau of 89.53 means that 89.53% fewer errors are made by this model than would be expected by random assignment. The following is a summary table of function loadings for the four-group discriminant analysis.

TABLE 4-19  
DISCRIMINANT FUNCTION LOADINGS

Independent Variables	Discriminant Function Coefficients		
	Function		
	1	2	3
Behint (1) Do nothing about the experience.	-0.521	0.533	-0.160
Behint (2) Immediately request that the supplier take care of the problem.	0.120	-0.364	0.077
Behint (3) Discuss the dissatisfying experience with other personnel in my firm.	0.003	-0.031	0.345
Behint (4) At the time of next order, definitely complain to the supplier about the experience.	-0.011	0.009	0.442
Behint (5) Rework unsatisfactory material and charge supplier cost of rework.	0.035	-0.049	0.242
Behint (6) Return the product for replacement or refund.	-0.006	-0.072	0.296
Behint (7) Decide not to deal with the supplier again.	0.001	0.083	0.682
Behint (8) Describe the bad experience to purchasing agents in other firms.	-0.060	0.274	0.450
Behint (9) Write a letter to the trade press about the experience.	0.157	0.508	0.032
Behint (10) Complain to a trade association and ask them to help resolve the situation.	0.258	0.527	0.019
Behint (11) Report the incident to the appropriate agencies so they can warn others.	0.356	0.696	0.020
Behint (12) Call in third party for arbitration to resolve problem.	0.310	0.518	0.008
Behint (13) Decide to take some legal action against the supplier.	0.145	0.348	0.162

**Differentiating Between Clusters by Behavioral Intention  
Scale and by Individual and Situational Influences**

In order to differentiate between cluster groupings, the behavioral intention scale was used to describe the make-up of each cluster. This scale was instrumental in forming each cluster, so it is necessary to understand how each variable making up this scale differs across clusters. For a recap of the analysis of F-ratios, see Table 16. Notice that Behint (5) and Behint (6) were not significant at the .01 level; they will be left out of the following analysis. Table 4-20 summarizes where each variable was different across each cluster.

**TABLE 4-20  
BEHAVIORAL INTENTION SCALE POST HOC TESTS:  
SIGNIFICANT DIFFERENCES**

Variable	(Scale: 1-5) Differences Between Clusters	Difference
Behint (1)	Clusters 1-2	1.803
	Clusters 2-3	1.801
	Clusters 2-4	1.846
1. Do nothing about the experience.		
Behint (2)	Clusters 1-2	1.187
	Clusters 2-3	1.231
	Clusters 2-4	0.782
2. Immediately request that the supplier take care of the problem.		
Behint (3)	Clusters 1-3	0.895
3. Discuss the dissatisfying experience with other personnel in my firm.		

TABLE 4-20 (Continued)

Variable	(Scale: 1-5) Differences Between Clusters	Difference
Behint (4)	Clusters 1-3	1.174
4. At the time of next order, definitely complain to the supplier about the experience.		
Behint (7)	Clusters 1-3	1.832
	Clusters 2-3	1.290
	Clusters 3-4	1.067
7. Decide not to deal with the supplier again.		
Behint (8)	Clusters 1-3	1.288
	Clusters 1-4	1.506
8. Describe the bad experience to purchasing agents in other firms.		
Behint (9)	Clusters 1-4	1.332
	Clusters 2-4	0.756
	Clusters 3-4	1.312
9. Write a letter to the trade press about the experience.		
Behint (10)	Clusters 1-4	1.499
	Clusters 2-4	1.279
	Clusters 3-4	1.541
10. Complain to a trade association and ask them to help resolve the situation.		

TABLE 4-20 (Continued)

Variable	(Scale: 1-5) Differences Between Clusters	Difference
Behint (11)	Clusters 1-4	1.944
	Clusters 2-4	1.719
	Clusters 3-4	2.013
11. Report the incident to the appropriate agencies so they can warn others.		
Behint (12)	Clusters 1-4	1.376
	Clusters 2-4	1.371
	Clusters 3-4	1.448
12. Call in third party for arbitration to resolve problem.		
Behint (13)	Clusters 1-4	1.482
	Clusters 2-4	1.085
	Clusters 3-4	1.158
13. Decide to take some legal action against the supplier.		

In order to further differentiate between cluster groupings, one-way analysis of variance was run using the individual and situational influence indexes formed from the variables REL(1)-REL(36) as dependent variables. The behavioral intention cluster groupings served as the independent variables in this analysis. Main effect tests were run on all constructs using F-values to determine whether or not to reject the null hypothesis of equal means. The following is a listing of those constructs and the corresponding items that measure those constructs.

TABLE 4-21  
MEASURED CONSTRUCTS AND THEIR  
CORRESPONDING ITEMS

<u>Construct</u>	<u>Items Measuring Construct</u>
<u>Individual Variables</u>	
Perceptions of Reality	Rel(2)-Rel(6)
Communications	Rel(7)-Rel(10), Rel(12)
Goal Incompatibility	Rel(13)-Rel(16),Rel(19)
Domain Dissensus	Rel(1),Rel(11),Rel(17)
<u>Situational Variables</u>	
Dependence	Rel(20),Rel(32)-Rel(36)
Expertise	Rel(18),Rel(21),Rel(22)
Legitimacy	Rel(23),Rel(25),Rel(26)
Referent	Rel(24),Rel(27)
Punishment	Rel(28)-Rel(30)
Rewards	RelA(31),RelB(31),RelC(31)

Other measured variables that helped describe the make-up of each cluster were included in the analysis. They include: (1) the respondent's educational level; (2) the length of relationship between buyer/supplier; (3) the company's overall annual revenue; (4) the number of people employed by the respondent's company; and (5) the purchasing experience of the respondent. Scale items are shown in Appendix B. Each of these variables was measured using categorical data, thus dictating a chi-square analysis across clusters to find significant differences.

Table 4-22 shows the F-ratios for each construct measured. One other index was created representing the noncoercive power base. To form a noncoercive power base,



referent, expertise, legitimacy, and rewards were averaged. The coercive power base was represented by the punishment index.

TABLE 4-22  
F-RATIOS OF EACH RELATIONSHIP  
CONSTRUCT MEASURED

<u>Individual Variables</u>	Sum of Squares	D.F.	Mean Squares	F-Ratio	Prob.
Perceptions of Reality	3.513	3	1.171	1.770	0.156
Communications	8.453	3	2.818	3.868	0.011*
Goal Incompatibility	13.872	3	4.624	7.408	0.000*
Domain Dissensus	14.068	3	4.689	4.733	0.004*
<u>Situational Variables</u>					
Dependence	13.194	3	4.398	5.095	0.002*
Expertise	30.249	3	10.083	9.590	0.000*
Legitimacy	1.872	3	0.624	0.766	0.515
Referent	12.162	3	4.054	4.824	0.003*
Reward	5.358	3	1.786	1.341	0.265
Punishment	24.419	3	8.140	11.102	0.000*
Noncoercive Power Base	8.263	3	2.754	5.183	0.002*

\*significant at the  $p < .01$  level.

F-ratio analysis shows that communications, goal incompatibility, domain dissensus, dependence, expertise, referent, punishment, coercive and noncoercive power bases differed significantly across clusters. To pinpoint the differences between clusters over each construct, post hoc tests were run. A pairwise matrix of mean differences was calculated using the Tukey Honestly Significant Difference (HSD) multiple comparison test. This test is one of the most conservative tests with respect to type I errors and in some cases will ordinarily prove superior to the Scheffe' test for simple pairwise comparisons (Roscoe 1975, p. 316). Values underlined in each matrix show where the clusters differ significantly with respect to each construct.

TABLE 4-23  
MATRICES OF PAIRWISE MEAN DIFFERENCES BETWEEN CLUSTERS

<u>Communications</u>					<u>Expertise</u>				
<u>Matrix of Pairwise Mean Differences</u>					<u>Matrix of Pairwise Mean Differences</u>				
C	1	2	3	4	C	1	2	3	4
L 1	0.000				L 1	0.000			
U 2	-0.167	0.000			U 2	-0.539	0.000		
S 3	<u>-0.709</u>	-0.542	0.000		S 3	<u>-1.334</u>	-0.795	0.000	
T 4	-0.228	-0.061	0.611	0.000	T 4	0.315	0.224	1.020	0.000
E					E				
R					R				

<u>Goal Incompatibility</u>					<u>Referent</u>				
<u>Matrix of Pairwise Mean Differences</u>					<u>Matrix of Pairwise Mean Differences</u>				
C	1	2	3	4	C	1	2	3	4
L 1	0.000				L 1	0.000			
U 2	-0.540	0.000			U 2	<u>-0.716</u>	0.000		
S 3	<u>-0.860</u>	-0.320	0.000		S 3	<u>-0.645</u>	-0.072	0.000	
T 4	-0.359	-0.181	0.501	0.000	T 4	-0.504	0.212	0.141	0.000
E					E				
R					R				202

TABLE 4-23 (Continued)

<u>Domain Dissensus</u>					<u>Punishment</u>				
<u>Matrix of Pairwise Mean Differences</u>					<u>Matrix of Pairwise Mean Differences</u>				
C	1	2	3	4	C	1	2	3	4
L 1	0.000				L 1	0.000			
U 2	<u>-0.057</u>	0.000			U 2	<u>-1.228</u>	0.000		
S 3	0.310	<u>1.367</u>	0.000		S 3	0.142	<u>-1.371</u>	0.000	
T 4	-0.302	-0.756	-0.481	0.000	T 4	<u>0.664</u>	0.565	<u>-0.806</u>	0.000
E					E				
R					R				

<u>Dependence</u>					<u>Noncoercive</u>				
<u>Matrix of Pairwise Mean Differences</u>					<u>Matrix of Pairwise Mean Differences</u>				
C	1	2	3	4	C	1	2	3	4
L 1	0.000				L 1	0.000			
U 2	-0.263	0.000			U 2	<u>-0.582</u>	0.000		
S 3	<u>-0.801</u>	-0.538	0.000		S 3	<u>-0.571</u>	-0.010	0.000	
T 4	0.129	0.392	0.930	0.000	T 4	0.354	0.228	0.218	0.000
E					E				
R					R				

Earlier, situational and demographic variables were hypothesized to influence types of complaint behavior. Based on chi-square analysis of differences between observed frequencies and expected frequencies on these variables, none of the variables were significantly different across clusters (Table 4-24).

Finally, one-way analysis of variance was run using the individual and situational variables as the dependent variables. The behavioral intention cluster groupings served as the independent variables in the analysis. Only the variables used to formulate the significant indexes will be examined. Main effect tests were run on each variable using F-values as a means of determining whether or not to reject the null hypothesis. The following table shows the F-ratios of each variable grouped by significant construct.

TABLE 4-24  
CHI-SQUARE ANALYSIS ACROSS DEMOGRAPHIC VARIABLES

Other variables	Value	D.F.	Prob.
Educational Level	14.353	14	0.499
Howlong in Relationship	23.914	15	0.067
Annual Revenue	26.160	21	0.200
People Employed	19.840	21	0.531
Purchasing Experience	10.249	12	0.594

TABLE 4-25  
INDIVIDUAL AND SITUATIONAL CONSTRUCTS  
AND THEIR CORRESPONDING ITEMS

Individual Constructs	Sum of Squares	D.F.	Mean Squared	F-Ratio	Prob.
<u>Communications REL(7)-REL(10), REL(12)</u>					
Rel(7)	18.109	3	6.036	3.157	0.028
Rel(8)	18.508	3	6.169	3.567	0.016*
Rel(9)	4.669	3	1.556	0.902	0.443
Rel(10)	6.384	3	2.128	1.144	0.334
Rel(12)	4.133	3	1.378	0.955	0.417

Table 4-25 (Continued)

Individual Constructs	Sum of Squares	D.F.	Mean Squared	F-Ratio	Prob.
<u>Domain Dissensus -REL(1).(11).(17)</u>					
Rel(1)	9.900	3	3.300	1.894	0.137
Rel(11)	4.992	3	1.664	.798	0.498
Rel(17)	38.161	3	12.720	10.401	0.000*
<u>Goal Incompatibility -REL(13)-(16).(19)</u>					
Rel(13)	0.309	3	0.103	0.083	0.969
Rel(14)	24.544	3	8.181	6.520	0.000*
Rel(15)	26.777	3	8.926	5.978	0.001*
Rel(16)	27.686	3	9.229	6.260	0.001*
Rel(19)	7.244	3	2.415	1.353	0.262
<u>Situational Influence Constructs</u>					
<u>Dependence -REL(20).REL(32)-REL(36)</u>					
Rel(20)	12.205	3	4.068	1.369	0.257
Rel(32)	34.521	3	11.438	5.801	0.001*
Rel(33)	10.769	3	3.590	2.182	0.094
Rel(34)	23.388	3	7.796	4.201	0.007*
Rel(35)	13.409	3	4.470	2.138	0.099
Rel(36)	1.531	3	0.510	0.437	0.727
<u>Expertise-REL(18).REL(21).REL(22)</u>					
Rel(18)	24.688	3	8.229	4.813	0.003*
Rel(21)	23.162	3	7.721	4.529	0.005*
Rel(22)	37.192	3	12.397	8.722	0.000*

Table 4-25 (Continued)

Individual Constructs	Sum of Squares	D.F.	Mean Squared	F-Ratio	Prob.
<u>Referent-REL(24).REL(27)</u>					
Rel(24)	3.088	3	1.029	1.203	0.312
Rel(27)	21.903	3	7.301	6.184	0.001*
<u>Punishment-REL(28).REL(29).REL(30)</u>					
Rel(28)	40.015	3	13.338	9.523	0.000*
Rel(29)	22.515	3	7.505	3.697	0.014*
Rel(30)	9.994	3	3.331	4.776	0.004*

\*significant at the  $p < .01$  level

From the analysis of F-ratio's REL(8), (14), (15), (16), (17), (18), (21), (22), (27), (28), (29), (30), (32), and (34) were significant at the  $p < .01$  level. Fourteen variables are significant at the .01 level or below. Again post hoc tests were run using Tukey HSD multiple comparison test to identify exactly how and where each variable was different across clusters. The table below summarizes those results.

**TABLE 4-26**  
**INDIVIDUAL AND SITUATIONAL RELATIONSHIP VARIABLES**  
**POST HOC TESTS: SIGNIFICANT DIFFERENCES**

Variable	Differences between Clusters	Difference (Scale: 1-5)
Rel(8)	Clusters 1-3	.989
	Clusters 2-3	1.159
8. This supplier is well equipped to serve his/her market promptly.		
Rel(14)	Clusters 1-3	1.131
	Clusters 1-4	.711
14. This supplier needs to make order processing and distribution operations more effective.		
Rel(15)	Clusters 1-3	1.193
15. I often feel that this supplier does not concentrate enough on me, the customer.		
Rel(16)	Clusters 1-2	.976
	Clusters 1-3	1.151
16. This supplier is primarily concerned with his/her own profitability and is not concerned with his/her customer's best interests.		
Rel(17)	Clusters 1-2	2.128
	Clusters 2-3	2.183
	Clusters 2-4	1.611
17. This supplier wants control over issues my firm should control, especially in the types of technology we use.		
Rel(18)	Clusters 1-3	1.192
18. I don't respect this supplier's competence and good judgment when we have to solve joint problems.		

TABLE 4-26 (Continued)

Variable	Differences between Clusters	Difference (Scale: 1-5)
Rel(21)	Clusters 1-3	1.239
	Clusters 3-4	1.246
21. I respect this supplier's technical expertise about matters related to long-term purchasing agreements.		
Rel(22)	Clusters 1-3	1.501
	Clusters 3-4	1.115
22. I don't respect this supplier's expertise about matters related to inspection of materials before shipment.		
Rel(27)	Clusters 1-2	1.095
	Clusters 1-3	.847
27. This supplier usually acts in a way that merits my respect.		
Rel(28)	Clusters 1-2	1.644
	Clusters 2-3	1.867
28. This supplier can apply pressure and penalize our firm if we complain about his/her service quality.		
Rel(29)	Clusters 3-4	.995
29. This supplier can apply pressure and penalize our firm if we do not pay promptly for our purchases.		
Rel(30)	Clusters 1-2	.906



TABLE 4-26 (Continued)

Variable	Differences between Clusters	Difference (Scale: 1-5)
30. This supplier can pressure our firm to buy products we don't need in order to get products we want.	Clusters 1-3	1.327
	Clusters 3-4	1.376
32. My firm considers this supplier's company a major business partner.	Clusters 1-3	1.037
	Clusters 3-4	1.196
34. My firm's policies, goals and resources does not include a strong commitment to this supplier.		

### Discriminant Analysis

Stepwise Discriminant-Using Created Indexes. The last step in this analysis was done to provide evidence for external validity, namely predictive validity. A stepwise discriminant analysis used the indexes created from the individual and situational influence variables as the independent variables in predicting cluster membership. The basic goal was to decide which index(es) were the best discriminators. To determine the best discriminators, a hold-out sample was taken. A random number generator was asked to select 80% of the cases from the overall data base. Using the selected cases, a stepwise discriminant analysis was performed. In the analysis the alpha to enter and remove was .15. Before the stepwise discriminant analysis was performed, a simultaneous discriminant analysis was used with the

following variables as predictors: length of relationship, annual revenues, legitimacy, referent power, expertise, punishment, rewards, domain dissensus, perceptions of reality, communications, and dependence. The purpose of this procedure was to confirm the significance of the variables across the data base. In doing this preliminary discriminant analysis, nonsignificant variables were disregarded, thus not relying on the stepwise algorithm to make decisions of significance over each construct. The table below shows the F-ratios and p-values corresponding to each variable from the simultaneous discriminant analysis.

TABLE 4-27  
SIMULTANEOUS DISCRIMINANT ANALYSIS -  
F-RATIO'S AND P - VALUES

<u>Construct</u>	<u>F-ratio</u>	<u>Prob.</u>
Howlong	1.156	0.331
Annrev	0.721	0.542
Legitimacy	1.564	0.204
Referent	3.148	0.029*
Expertise	7.196	0.000*
Rewards	0.798	0.498
Punishments	8.713	0.000*
Domain Dissensus	4.914	0.003*
Perceptions	1.657	0.182
Goal Incompatibility	5.827	0.001*
Communications	5.111	0.003*
Dependence	4.011	0.010*

Seven indexes were found to be significant and included the following constructs: referent power, expertise, punishment, domain dissensus, goal incompatibility, communications, and dependence. To determine the best discriminators, each of the significant indexes was

included in a stepwise discriminant analysis. The final stepwise solution included the following indexes: communications, dependence, expertise, and domain dissensus. Once these variables were identified, a simultaneous discriminant analysis was used to predict membership on a hold-out sample. Univariate F's are shown for each index in Table 4-28 and simultaneous F's are displayed in Table 4-29.

TABLE 4-28  
SUMMARY TABLE OF UNIVARIATE F-TESTS  
OF SIGNIFICANT INDEXES

<u>Variable</u>	<u>Sum of Squares</u>	<u>D.E.</u>	<u>Mean Squares</u>	<u>F-ratio</u>	<u>Prob.</u>
Expertise	8.747	3	2.916	4.112	0.019*
Dependence	3.660	3	1.220	2.776	0.067
Domain Dissensus	4.891	3	4.685	7.139	0.002*
Communications	8.812	3	2.937	8.529	0.001*

\*significant at the  $p < .05$  level.

TABLE 4-29  
SUMMARY TABLE OF SIMULTANEOUS F-TESTS

<u>Variable</u>	<u>F-ratio</u>	<u>Prob.</u>
Expertise	4.660	0.034*
Dependence	5.207	0.025*
Domain Dissensus	12.123	0.001*
Communications	2.611	0.110

\*significant at the  $p < .05$  level.

Preliminary analysis of the univariate F-Tests show only three indexes significant at the .05 level. Three functions were formed using these variables with the following canonical correlations.

TABLE 4-30  
CANNONCIAL CORRELATIONS

	Squared Canonical Correlation	Canonical Correlations
Function 1	.767	.5882
Function 2	.693	.4802
Function 3	.302	.0912

From the above analysis, function one, and two rank as being significant. Function three can best be characterized as insignificant.

TABLE 4-31  
CHI-SQUARE STATISTIC OF FUNCTIONS

	Chi-square Statistic	D.F.	Prob.
Functions 1-3	17.784	9	0.001*
Functions 2-3	4.913	4	0.020*

TABLE 4-31 (Continued)

	Chi-square Statistic	D.F.	Prob.
Functions 3-3	0.119	1	0.385
*significant at the p .05 level.			
Wilk's Lambda = .194	DF = 12,47	Prob. = .001	
*significant at the .05 level.			

Table 4-31 also confirms that function one and two are significant at the .05 level. With functions one and two being significant, a classification matrix and tau was calculated.

	Groups By Actual Prediction				Total
	Group 1	Group 2	Group 3	Group 4	
Group 1	12	1	1	1	15
Group 2	1	2	0	0	3
Group 3	0	0	4	0	4
Group 4	0	1	0	2	3
Total	13	4	5	3	25

Figure 4-7. Classification Matrix

From the classification matrix 80% of the cases were predicted correctly by this model. Tau was calculated at 65.84%. Based upon this analysis, two significant functions can be created to predict these organizational complaint behavior clusters. The standardized canonical coefficients include the following:

<u>Function One</u>	Expertise=0.359	<u>Function Two</u>	Expertise=0.084
	Domain Dissensus=0.304		Domain Dissensus=-0.936
	Communication.=0.722		Communication.=0.373
	Dependence=-0.029		Dependence=0.155

Function one = 0.359(expertise) + 0.304(domain dissensus) +0.722(communications) -0.029(dependence).

Function two = 0.084(expertise) - 0.936(domain dissensus) +0.373(communications) +0.155(dependence).

Thus, the two functions form a model which can be used in the future to predict patterns of organizational complaint behavior.

The following chapter interprets the factors leading to the formation of clusters, discusses the characteristics of the clusters, and reexamines the hypotheses in the light of the analytical findings.

## CHAPTER V

### RESULTS

#### Introduction

The objective of chapter V is two-fold. First, it will interpret the analysis found in chapter IV. Interpretation of the factor analysis and a description of the clusters that were produced from the factor scores will be addressed. Second, this chapter will discuss each of the alternative hypotheses formulated in chapter III in order to show whether or not to reject null hypothesis.

#### Factor Analysis

In the factor analysis a component analysis approach was used in addition to a varimax rotation. The objective of the factor analysis was to summarize most of the original data into a minimum number of factors to be used for predicting cluster groupings. Using the latent root criterion, the scree test criterion and the a-priori criterion to interpret the data, it was found that the data best represented a three factor solution. This solution was produced from a ten item behavioral intention scale adapted from Singh (1990). In addition to Singh's scale, this study added three more items which specifically measured unique issues of complaint behavior from an organizational perspective (i.e. Behint 5, 6, 12) . In the three factor solution, each item loaded cleanly on one of the three dimensions. Below are the items partitioned off by dimensions, along with their respective factor loadings.

Dimension One: Scale Items - NO ACTION/VOICE

- .812 1. Do nothing about the experience.  
 -.583 2. Immediately request that the supplier take care of the problem.

Dimension Two: Scale Items - PRIVATE ACTION

- .647 3. Discuss the dissatisfying experience with other personnel in my firm.  
 .655 4. At the time of next order, definitely complain to the supplier about the experience.  
 .324 5. Rework unsatisfactory material and charge supplier cost of rework.  
 .337 6. Return the product for replacement or refund.  
 .615 7. Decide not to deal with the supplier again.

Dimension Three: Scale Items - THIRD PARTY/PUBLIC ACTION

- .504 8. Describe the bad experience to purchasing agents in other firms.  
 .864 9. Write a letter to the trade press about the experience.  
 .888 10. Complain to a trade association and ask them to help resolve the situation.  
 .885 11. Report the incident to the appropriate agencies so they can warn others.  
 .760 12. Call in third party for arbitration to resolve problem.  
 .646 13. Decide to take some legal action against the supplier.

Figure 5-1. Factor Loadings by Dimension

The factor analysis produced a close replication of Singh's (1990) results, which found a three dimensional factor structure in a consumer setting. From this data a three dimensional factor structure was produced, but in an organizational setting. This suggests that from both a consumer and organizational perspective, three dimensions of complaint behavior exist. All items loaded positively on their respective dimensions, except for item two on dimension one. On dimension one, items one and two have opposite loadings, suggesting that these items move in opposite directions to one another. Therefore, it can be interpreted that the respondents perceive two types of action rather strongly, favor either one or the other, but not both simultaneously. Doing nothing about the experience certainly represents the "no action" dimension of complaint behavior which has been discussed in the consumer



literature. Requesting that the supplier take care of the problem might represent a complaint behavior response towards the supplier involved in the situation. However, the problem may have been caused by factors beyond the supplier's control, or by miscommunication. Recognizing this, the purchasing agent may have acted in a routine communication mode, rather than a full-scale complaint. While this response does resemble complaint behavior, it should be considered to be a very mild form. In other words, item two could possibly represent to these purchasing agents just another step of doing business in the real world, and thus be likened to doing nothing about the dissatisfying experience. It should not be likened to other forms of complaint behavior measured in this scale. Therefore, it might be appropriate to label this dimension No Action/Voice. A similar interpretation of this situation is one of cooperative action. Doing nothing is closely aligned with the dimension of direct cooperative action with the supplier. The other two dimensions are both antagonistic reactions toward the supplier.

The other items loaded cleanly on dimensions two and three. However, on dimension two Behint (5), "rework and charge supplier" and Behint (6), "return for replacement and refund", had low loading coefficients, suggesting a minimum amount of significance and influence on that factor. Each item on dimension two does hint toward some private action that the purchasing agent might take in response to a dissatisfying experience. Behint (3), "discuss the dissatisfying experience with other personnel in my firm", (4), "complain to the supplier about the experience", and Behint (7), "decide not to deal with the supplier again", are highly significant items with Behint (4) possibly representing the preferred private action that a purchasing agent will take when dissatisfied (i.e. discuss with other personnel of firm; complain to the supplier; and decide not to deal with the supplier). However, reworking the unsatisfactory material and charging the supplier the cost, along with returning the product for replacement or refund are possible complaint alternatives, but less likely. Therefore, dimension two might be appropriately labeled Private Action.

Finally, dimension three represents a form of complaint behavior that can only be described as public or third party. In each complaint action, a third party or formal agency is brought into the exchange, which was not originally concerned with the incident. Of the six items that loaded on this dimension, item eight had the lowest loading coefficient. One explanation for this is that Behint (8) represents an action that might be considered a violation of anti-trust under the Sherman Act. Companies that are considering ending their relationship with certain suppliers typically would not discuss this decision with other companies competing in the same industry, especially in an unsolicited fashion. However, if the conversation did come up about this dissatisfying experience, a discussion could very well ensue. Clearly, dimension three represents the more serious type of complaint behavior that a purchasing agent might take and it can be appropriately called Public/Third Party Action.

#### Cluster Analysis/Discriminant Analysis

Using the factor scores corresponding to a three factor solution as input into the cluster analysis, four clusters of respondents were identified. The Ward's method and Euclidean distances were used, along with dendrograms and plots, to identify the optimum hierarchical four cluster solution. As stated earlier, one objective of this chapter is to understand what type of respondents each cluster represents. Each cluster can be described by the various organizational constructs found significant across clusters and their corresponding items. Before a description of these four clusters is revealed, it is necessary to briefly describe the use of the discriminant analysis that followed the cluster procedure.

A discriminant analysis was performed using the raw behavior intention data as independent variables. A simultaneous method of discriminant analysis was used in which all items in the behavioral intention scale were considered concurrently as members into the discriminant function. All items except Behint (5) and Behint (6) were significant at the  $p < .001$  level. As stated in the section above, these items represent private actions less likely to be undertaken by the respondents.

The analysis found three significant functions, with function one being the primary source of differences between clusters. In addition, function two and three provided distinctions between the cluster groupings that function one did not. In function one, Behint (1), Behint (11), Behint (12) contribute the most to the discriminating power of that function, while Behint (1), (10), (11) contribute the most to function two, and Behint (7), and (8) contribute the most to function three.

**TABLE 5-1**  
**DISCRIMINANT FUNCTIONS AND THEIR LOADINGS**

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**Function One**

- .521    1. Do nothing about the experience.
- .356    11. Report the incident to the appropriate agencies so they can warn others.
- .310    12. Call in third party for arbitration to resolve problem.

**Function Two**

- .533    1. Do nothing about the experience.
- .527    10. Complain to a trade association and ask them to help resolve the situation.
- .696    11. Report the incident to the appropriate agencies so they can warn others.

**Function Three**

- .682    7. Decide not to deal with the supplier again.
  - .450    8. Describe the bad experience to purchasing agent in other firms.
- 

Behint (1) seems to have the highest discriminating value by measures of discriminant coefficient and by F-ratio. Behint (11) seems to have the second highest discriminating value as represented by its F-ratio.

### Description of Cluster Groupings

In order to differentiate between cluster groupings, each group was described using the behavioral intention scales. In addition, one-way analysis of variance was run using each individual and situational index measured in this study. Of the eleven constructs measured, seven were significantly different across clusters and include communications, goal incompatibility, domain dissensus, dependence, expertise, referent, and punishment power bases. Each individual and situational item that formulated these significant constructs was tested to see if some differentiation could be made between clusters. The following items that were distinct across clusters include: Rel (8),(14), (15), (16), (17), (18), (21), (22), (27), (28), (29), (30), (32), and (34). Table 5-2 describes each cluster by the behavioral intention scales.

TABLE 5-2  
CLUSTER DESCRIPTIONS BY BEHAVIORAL INTENTION SCALES

Characteristics	Cluster One	Cluster Two	Cluster Three	Cluster Four
1. Do nothing about the experience.		Most Likely		Least Likely
2. Immediately request that the supplier take care of the problem.	Extremely Likely	Least Likely	Most Likely	Extremely Likely
3. Discuss the experience with personnel in my firm.		Least Likely	Most Likely	
4. At the time of next order, definitely complain to the supplier about the experience.	Least Likely		Most Likely	

TABLE 5-2 (Continued)

Characteristics	Cluster One	Cluster Two	Cluster Three	Cluster Four
7. Decide not to deal with supplier again.	Least Likely		Most Likely	
8. Describe the bad experience to purchasing agents in other firms.	Least Likely	Very Likely	Very Likely	Most Likely
9. Write a letter to the trade press about the experience.	Least Likely			Most Likely
10. Complain to trade association.			Least Likely	Most Likely
11. Report incident to appropriate agencies.			Least Likely	Most Likely
12. Call in third party.			Least Likely	Most Likely
13. Take legal action experience.	Least Likely			Most Likely

\* Items 5 and 6 of scale were not significant

#### Observations

Some interesting observations can be made about these four groups of purchasing agents. First, two groups had extremely good relationships with their supplier. Cluster one and cluster four respectively had the lowest levels of goal incompatibility among the four cluster groups. Second, they both expressed high levels of dependence for the supplier, high levels of respect for the supplier's expertise, and experienced high levels of referent power being used by the supplier. Cluster two and cluster three respectively had fairly poor

relationships with their supplier and exhibited the highest levels of goal incompatibility among groups. Second, they both experienced low levels of dependence for the supplier, low levels of respect for the supplier's expertise, and experienced low levels of referent power being used by the supplier. Interestingly, the two groups that had the best relationship with their supplier tended to respond quite differently when faced with a dissatisfying experience. Cluster one tended to be extremely likely to request that the supplier take care of the problem, and least likely to take legal action. Therefore, they tended to try to resolve the dissatisfying experience with actions representing the no action/voice dimension of complaint behavior. Cluster four was just the opposite in their response. This group, even though quite satisfied with their relationship, tended to resolve their dissatisfying experiences with actions representing the third party/public action dimension of complaint behavior. They were most likely to discuss the bad experience with purchasing agents in other firms, most likely to write a letter to the trade association, most likely to report the incident to appropriate agencies, and most likely to take legal action against the supplier. An explanation for this difference in complaint responses is hard to develop. Cluster four seemed to experience high levels of punishment in their relationship, while cluster one experienced lower levels of punishment applied by the supplier. Cluster four also experienced slightly higher levels of domain dissensus than did cluster one. In addition, cluster four had not established as effective communication links with the supplier as did cluster one. Because of these differences, along with poor communications and significant differences in the use of punishment, cluster four seemed more compelled to use higher levels of complaint behavior than cluster one.

Cluster two and three respectively had the highest levels of goal incompatibility among these four groups. Interestingly, these two groups also tended to respond quite differently when faced with a dissatisfying experience. Cluster three was most likely to request that the supplier take care of the problem. If this did not work, this group was most likely to discuss the experience with other personnel in their firm, complain at the time of the

next order, and to decide not to deal with the supplier again. All of these actions represent the no action/voice dimension and low levels of the private action dimension of complaint behavior. The third party/public action dimension of complaint behavior was also a possibility, but not likely. Cluster two also exhibited forms of the no action/voice and the private action dimension of complaint behavior, but cluster two was quite different from cluster three in the types of action that they engaged in. Cluster two seemed to exhibit behavior that most corresponded to futility. They were the most likely to do nothing about the dissatisfying experience, and least likely to request that the supplier take care of the problem. This group was even reluctant to discuss the problem with personnel inside their own company. In looking at the significant differences between cluster two and cluster three, there are a few distinctions that can be made. It would seem that the major factor that drives the difference in behavior between these groups is the use of punishment or coercive power by the supplier. In cluster two, agents seemed to believe that the supplier could and would apply pressure and penalize their firm if they complained about the supplier's service quality. Cluster three did not feel that type of behavior on the part of the supplier was likely. Second cluster two experienced the highest level of domain dissensus, while cluster three experienced the lowest level of domain dissensus. These differences would explain why cluster two was most likely to do nothing and cluster three was most likely to engage in private action dimensions of complaint behavior in response to the dissatisfying experiences. Cluster two might be acting out of fear of retaliation from the supplier, while cluster three might be acting out of increased power within the buyer/supplier dyad.

Each group exhibits some unique style of complaint behavior. Singh (1990) posited that complaint behavior response styles can be classified into four unique designations which include (1) no-action; (2) voice actions only; (3) voice and private actions; and (4) voice, private, and third party actions. Singh (1990) gave each of these groups the following names: (1) Passive; (2) Voicer; (3) Irate; and (4) Activist respectively. Since this research found

slightly different dimensions of complaint behavior from an organizational perspective using factor analysis, adaptations to the names designating organizational complaint behavior response styles must also be made.

Given the description in Singh's study, it is possible to name each cluster. However, as designated in the factor analysis section, this study will name the dimensions of complaint behavior: (1) no action/voice; (2) private action; and (3) third party/public action. From these dimensions, cluster groupings will be based on the terms (1) passive; (2) voicers ; and (3) activists, respectively. First, the passive name in general stands for response styles that exhibit the no action/voice dimensions of complaint behavior. Voicers represent the complaint behavior response styles that exhibit dimensions of both no action/voice and private complaint actions. Finally, the activist style represents complaint behavior responses consisting of actions found only in the third party/public action dimension.

Next, this study adapted these labelings by combining the bi-polar adjectives (optimistic/pessimistic) with Singh's passive term to create the style designations of passive/optimistic and passive/pessimistic. These names were created to clarify differences in cluster groups that tend to exhibit similar passive responses styles but for different reasons. For example, cluster one and cluster two both could be called passive because both exhibited very mild forms of complaint behavior. However, cluster one will be named Passive/Optimistic because they exhibited mild forms of complaint behavior even though they had a satisfying relationship with their supplier. Cluster two will be named Passive/Pessimistic because they exhibited mild forms of complaint behavior too, but for very different reasons. Cluster two's behavior appeared likely to be driven by feelings of futility in their relationship with the supplier. These feelings produced a passive response style that can only be described as fatalistic. Next, cluster three fits into Singh's (1990) designation of Voicers. Voicers exhibit actions from both voice and private type complaint behavior response dimensions. Finally, cluster four fits nicely into the Activist category because it represents groups that are



most likely to manifest public/third party response dimensions to dissatisfying experiences. Table 5-3 combines some of the most important behavioral intention differences across clusters, with differences in the individual and situational influences across clusters to give a more complete description of each cluster.

TABLE 5-3  
CLUSTER DESCRIPTIONS

<u>Characteristics</u>	Cluster One	Cluster Two	Cluster Three	Cluster Four
	<u>Passive/ Optimistic</u>	<u>Passive/ Pessimistic</u>	<u>Voicer</u>	<u>Activist</u>
1. level of goal incompatibility sign. differences cluster 1-3.	lowest	2nd highest	highest	2nd lowest
2. quality of communication links between agent and supplier sign. differences cluster 1-3.	best	2nd highest	worst	2nd lowest
3. level of agreement that supplier exhibited expert power sign. differences cluster 1-3, 3-4.	highest	2nd lowest	lowest	2nd highest
4. level of agreement that supplier exhibited referent power. sign. differences cluster 1-2, 1-3.	highest	lowest	2nd lowest	2nd highest
5. level of domain dissensus sign. differences cluster 1-2, 2-3.	2nd lowest	highest	lowest	2nd highest
6. level of punishment sign. differences cluster 1-2, 1-4 2-3, 3-4.	2nd lowest	highest	lowest	2nd highest
7. level of dependence sign. differences cluster 1-3, 3-4.	2nd highest	2nd lowest	lowest	highest
8. do nothing about experience sign. differences cluster 1-2, 2-3, 2-4.		most likely		least likely

TABLE 5-3 (Continued)

<u>Characteristics</u>	Cluster One	Cluster Two	Cluster Three	Cluster Four
	<u>Passive/ Optimistic</u>	<u>Passive/ Pessimistic</u>	<u>Voicer</u>	<u>Activist</u>
9. request supplier to take care of the problem. sign. differences cluster 1-2, 2-3, 2-4.	extremely likely	least likely	most likely	extremely likely
10. discuss the experience with personnel in my firm sign. differences cluster 1-3.		least likely	most likely	
11. to decide to wait until next order to complain to supplier. sign. differences cluster 1-3.	least likely		most likely	
12. decide not to deal with supplier again. sign. differences cluster 1-3, 2-3, 3-4.	least likely		most likely	
13. to describe the dissatisfying experience to other purchasing in other firms. sign. differences cluster 1-3, 1-4.	least likely	very unlikely	very likely	most likely
14. contact the trade press. sign. differences cluster 1-4, 2-4, 3-4	least likely			most likely
15. contact the trade association sign. differences cluster 1-4, 2-4, 3-4.	very unlikely		least likely	most likely
16. third party association. sign. differences cluster 1-4, 2-4, 3-4.	very unlikely		least likely	most likely
17. take legal action. sign. differences cluster 1-4, 2-4, 3-4.	least likely			most likely

### Cluster One: Passive/Optimistic

The Passive/Optimistic group expressed the lowest level of goal incompatibility among all cluster groups. This group expressed a feeling of contentment in their relationship with the supplier. Order processing and distribution operations were not a matter of dissension. The supplier seemed to be very cooperative with the purchasing agent and spent a great deal of effort maintaining efficient physical distribution operations. Secondly, the supplier did not make the purchasing agent feel insignificant, and seemed to do a good job in listening to the agent's agenda. In addition, the supplier was not perceived by the purchasing agent to be insensitive to the needs of the agent in the area of profitability. This implies a willingness on the part of the supplier to sell his products to the buyer at justifiable prices. The agents that represent this cluster grouping also experienced low levels of domain dissensus. These agents did not perceive the supplier infringing upon the agent's area of responsibility. For instance, they stated that influence in the area of choice of markets served, merchandise assortment bought, and control over the types of technologies used was at a nominal level.

Communication channels between these agents and their suppliers were excellent. Agents felt the supplier was very informative and forthright about information pertaining to out of stock items, and that the supplier was well equipped to serve his/her market promptly. In addition, this group expressed strong dependence upon the supplier in the area of policies, goals, and resources. They demonstrated their devotion to the supplier by having the lowest level of cancelled orders among all groups. They considered the supplier to be a major business partner, definitely difficult to replace.

Finally, these agents saw their suppliers as having the highest level of expertise among cluster groups. They respected their supplier's expertise in areas such as joint problem solving, technical support about matters related to long-term purchasing agreements, and in areas pertaining to inspection of materials before shipment. These agents had a great deal of

respect for the suppliers and believed that the supplier always acted in a way that merited their respect. These agents did not fear punishment from the supplier and exhibited the lowest levels of agreement that the supplier could or would punish them if the agent complained about service quality, or if the agent did not pay promptly for purchases. They also did not feel that the supplier pressured them into buying products that they really did not need.

When these purchasing agents did decide to complain they were least likely to decide not to deal with the supplier again, least likely to wait until the next order to complain to the supplier, very unlikely to describe the dissatisfying experience to other purchasing agents in other companies, and very unlikely to contact the trade press or the trade association. In addition, they were the most unlikely of all groups to take legal action against the supplier. These purchasing agents were the second most likely of all groups to immediately request that the supplier take care of the problem. This type of complaint action represents a very mild form of complaint behavior and basically demonstrates the agent's confidence in this supplier to promptly take care of this dissatisfying experience.

#### Cluster Two: Passive/Pessimistic

The Passive/Pessimistic group was found to have the second highest level of goal incompatibility among all cluster groups. This group was particularly dissatisfied with the supplier in the area of order processing and distribution operations. They had a high level of agreement among all groups that this supplier could at best be described as being inefficient and ineffective in the physical distribution areas. The agents also perceived the supplier as being uncooperative in meeting the needs of the purchasing agent. These agents believed that the supplier was insensitive to their needs, and failed to adequately concentrate on their wants and desires. According to these agents, this supplier spent too little time concentrating on the customer, and too much time concentrating on his/her own profitability. Apparently, the supplier demonstrated a desire to take control of issues that were perceived out of his/her domain, as this group of agents exhibited the highest levels of domain dissensus among all

groups. The supplier seemed to routinely make use of coercive power, as these agents believed that the supplier could and would penalize the agent's firm if they openly complained about service quality, did not pay for purchases promptly, or did not buy goods pushed by the supplier. Obviously, this particular dyad is fraught with problems, as these agents expressed a low level of commitment to the supplier in areas of policies, goals, and resources. Low amounts of dependence were also expressed by the agent for the supplier, as the supplier was not considered a major business partner. In this same vain of thought, these agents believed that this supplier lacked expertise in the areas of joint problem solving and lacked technical expertise about matters related to long-term purchasing agreements and to inspection of products before shipments. Finally, these agents did not believe that this supplier acted in a way that merited their respect.

Even though these agents expressed problems with the supplier in areas of goal incompatibility, domain dissensus, and lack of expertise, they expressed no communication problems with this supplier. Overall, this group stated that they had good communication links with their suppliers, and had the highest level of agreement that the supplier was well equipped to serve his/her market. It is not apparent why or how this situation has evolved as agents felt that adequate communications were taking place within the dyad; however, negative feelings arising from goal incompatibility, domain dissensus, and lack of respect abound. The best way to describe this relationship between the buyer and supplier is dysfunctional.

Based upon the fact that the majority of agents in this cluster have been working in this field for over thirteen years, one might surmise that there is a certain feeling of entrapment in this relationship. It would seem that these agents want to be released from the relationship, but are impotent or powerless to free themselves because of the extreme fear of punishment from the supplier.

Finally, this particular group of agents exhibited their futility in their relationship with the supplier by the way they engaged in complaint behavior. Unfortunately, they were most likely to do nothing about the dissatisfying experience, and were least likely to immediately request that the supplier take care of the problem. In addition, their apathy seemed copious, because these agents were least likely to discuss the dissatisfying experience with other agents in their own firm.

#### Cluster Three: Voicer

The Voicer group was found to have the highest level of goal incompatibility among groups. These agents seemed to have several major reasons for expressing such a high level of dissatisfaction with the supplier. First, the agent perceived the supplier as not being well equipped to serve in areas of order processing and distributions operations. The agent did not feel that the supplier concentrated enough on him/her, and that he was only concerned about his/her own profitability. Lack of communication might be one cause of these problems in this relationship, due to the fact that these agents expressed having the poorest communication links within the dyad. The agents seemed to believe that the supplier was well equipped to serve his/her market promptly, but the actual manifestation of good service never materialized. Fortunately, it would not seem that these agents were being pressured into doing business with these suppliers because they expressed the lowest level of dependence among all groups. These agents felt free to complain to their supplier without fear of retribution and did not feel the supplier could or would punish them. Finally, this group had the lowest level of commitment toward the supplier among all groups, especially in the area of policies, goals, and resources. The agents did not feel that this supplier would be very difficult to replace, and did not believe that this supplier was a major business partner.

When these purchasing agents did decide to complain they were most likely to first request that the supplier take care of the problem. In addition, they were most likely to discuss the experience with other personnel in their firm, to complain at the time of the next

order, and to decide not to deal with the supplier again. In addition, they were also likely to describe the experience to purchasing agents in other firms, but most unlikely to report the incident to third parties such as governmental agencies or arbitration groups.

#### Cluster Four: Activist

The Activist group was found to have a low level of goal incompatibility with their supplier, second only to cluster one. This group seemed to have a very cooperative relationship with their supplier. They felt that the supplier did concentrate on the customer, and was not late in informing the customer about problems arising from the introduction of new products. They also believed that the supplier was concerned about the agent's profitability, and sensitive to their needs. Second, this relationship manifested the highest levels of dependence between the agent and the supplier. The supplier was considered to be a major business partner and the agent had a strong commitment to the supplier in the area of policies, goals, and resources. These agents expressed a high degree of respect for the supplier and believed that the supplier was competent in the areas of joint problem solving, technical advice about matters related to long-term purchasing agreements, and inspection of materials before shipment. Unfortunately, these agents expressed some fear that the supplier could or would punish them if they complained about service quality, or if they did not pay promptly for purchases. However, this fear was minimized because they expressed a high level of agreement that the supplier acted in a way that merited their respect.

When these agents complained they were least likely to do nothing about the experience. They were most likely to discuss the bad experience with purchasing agents in other firms, most likely to write a letter to the trade press, most likely to complain to the trade association, most likely to report the incident to the appropriate agencies, and most likely to call in a third party to resolve the problem. Finally, this group was most likely to take legal action against the supplier.

## Hypothesis

Given a description of each cluster grouping, the next objective of this chapter is to test each of the following alternative hypotheses to determine whether or not to reject its null hypothesis. The following table gives a listing of those alternative hypotheses.

**TABLE 5-4**  
**HYPOTHESES TESTED**

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1. The length of time one member of the dyad has been doing business with the other member of the dyad will be different across behavioral intention clusters (Warland, Herrman, and Willits; Liefeld, Edgecomb, and Wolfe 1975; Bearden and Mason (1984).
  2. The company's annual revenues will be different across behavioral intention clusters (Morganisky and Buckley 1987).
  3. The expert power demonstrated by the supplier will be different across behavioral intention clusters (Hunt and Nevin 1974).
  4. The reward power demonstrated by the supplier will be different across behavioral intention clusters (Hunt and Nevin 1974).
  5. Goal incompatibility will be different across behavioral intention clusters (Etgar 1979).
  6. The perceptions of reality among buyers will be different across behavioral intention clusters (Etgar 1979).
  7. The domain dissensus will be different across behavioral intention clusters (Etgar 1979).
  8. Communications will be different across behavioral intention clusters (Etgar 1979).
  9. Dependence will be different across behavioral intention clusters (Etgar 1979).
  10. Legitimate power demonstrated by the supplier will be different across behavioral intention clusters (Hunt and Nevin 1974).
  11. Referent power demonstrated by the supplier will be different across behavioral intention clusters (Etgar 1979).
  12. Punishment demonstrated by the supplier will be different across behavioral intention clusters (Hunt and Nevin 1974).
-



In order to determine whether or not to reject the null hypothesis, various statistical analysis was run. First, to differentiate between cluster groupings, one-way analysis of variance was performed using the individual and situational influence constructs as dependent variables. The behavioral intention cluster groupings served as the independent variables in this analysis. Main effects tests were run on all constructs using F-values to determine if these constructs were significant across clusters. Seven variables (i.e. goal incompatibility, communications, domain dissensus, dependence, expertise, referent, and punishment) were found to be significant at the  $p < .05$  level. This analysis gives preliminary indication that these variables might be responsible for explaining significant amounts of variance in the discriminant function.

Second, a chi-square analysis was used to find differences across clusters in the various demographic data that was measured. These demographic variables included: the educational level of the purchasing agent; how long the agent was in the relationship with the supplier; the annual revenue of the agent's company; the number of people employed by the agent's company; and the agent's purchasing experience in years. No variables were found significant at the  $p < .05$  level. These findings indicate that the seven variables in the preceding paragraph would be significant in predicting cluster group membership using discriminant analysis, but the demographic items would not.

#### Results of Stepwise Discriminant Model

In order to test this assumption the indexes created from the individual and situational influence variables were used in a stepwise discriminant analysis. Seven indexes were included in the stepwise model, including domain dissensus, punishment, communication, dependence, goal incompatibility, expertise, and referent power bases. Only four indexes were inserted by the program algorithm into the final stepwise discriminant model. These indexes were communications, dependence, expertise, and domain dissensus. Therefore, the following four hypotheses are addressed in the discriminant analysis:

1. The expert power demonstrated by the supplier will be different across behavioral intention clusters (Hunt and Nevin 1974).
2. Communications will be different across behavioral intention clusters (Etgar 1979).
3. Dependence will be different across behavioral intention clusters (Etgar 1979).
4. The domain dissensus will be different across behavioral intention clusters (Etgar 1979).

In order to determine whether or not to reject each null hypothesis corresponding to the above statements, the four indexes were put into a simultaneous method of discriminant analysis. Two functions were found to be significant at the  $P < .05$  level, and three of the above indexes had a univariate  $F$  significant at the  $p < .05$  level. Results also show the function(s) correctly predicted 80% of the cases.

TABLE 5-5  
SIGNIFICANT UNIVARIATE F'S

<u>Construct</u>	<u>Univariate F</u>	<u>Prob.</u>
1. Expertise	4.112	0.019*
2. Communications	8.529	0.001*
3. Dependence	2.776	0.067
4. Domain Dissensus	7.139	0.002*

\*significant at  $P < .05$  level.

Based on this analysis, this study concludes that these four indexes have a significant impact on the discriminant function and that their null hypothesis can be rejected:

Hypothesis 3: The expert power demonstrated by the supplier will be different across behavioral intention clusters (Hunt and Nevin 1974).  
(The null hypothesis is rejected)

Hypothesis 8: Communications will be different across behavioral intention clusters (Etgar 1979).  
(The null hypothesis is rejected)

Hypothesis 9: Dependence will be different across behavioral intention clusters (Etgar 1979).  
(The null hypothesis is rejected)

Hypothesis 7: The domain dissensus will be different across behavioral intention clusters (Etgar 1979).  
(The null hypothesis is rejected)

#### Hypotheses From Stepwise Discriminant Analysis

In looking at each hypothesis where the null hypothesis was rejected, it is important to provide a feasible explanation for the rejection. First, dependence was measured by six items that include (REL(20, 32-36)). Displayed for each variable is the corresponding univariate F-test.

Hypothesis 9: Dependence will be different across behavioral intention clusters (Etgar 1979).  
(The null hypothesis is rejected)

REL (20) - My firm has a long-term contract with this supplier. (F-Ratio=1.369; P<0.257)

REL (32) - My firm considers this supplier's company a major business partner. (F-Ratio=5.801; P<0.001)

REL (33) - The purchases we have with this supplier don't contribute substantially to our firm's profit. (F-Ratio=2.182; P<0.094)

REL (34) - My firm's policies, goals, and resources does not include a strong commitment to this supplier. (F-Ratio=4.201; P<0.007)

REL (35) - It would be very difficult for my firm to replace this supplier and substitute a competitor's products. (F-Ratio=2.138; P<0.099)

REL (36) - This supplier is a major customer. (F-Ratio=0.437; P<0.727).

REL(32), (34) was significant at the  $p < .05$  level, while REL (33), REL (35) was found significant at the  $P < .1$  level. In looking at the issue of dependence as it relates to the clusters found in this study, the Passive/Optimistic group had high levels of dependence for their supplier, while the Voicers had the lowest levels of dependence for the supplier. The Passive/Optimistic group felt that the supplier contributed substantially to the firm's profit and had a strong commitment to its supplier. The Voicers had the lowest level of agreement that the supplier contributed substantially to profits, and had the lowest level of agreement that it had a strong commitment to its supplier. Interestingly though, the Passive/Optimistic seemed to have the best relationship with their supplier, while the Voicers had a poor relationship with their supplier. These results show that dependence upon a supplier does not necessarily produce high levels of complaint behavior. In fact, the Passive/Optimistic tended to use exclusively the no action/voice dimension of complaint behavior to express dissatisfaction, while the Voicers used the third party/public action dimension of complaint behavior. In various relationships, dependence may be considered a desirable and positive condition and in some circumstances could possibly have an inverse relationship with complaint behavior. In addition, some authors believe complaint behavior is determined more by goal incompatibility and domain dissensus, rather than issues of dependence. However, this was not borne out by this research. It would seem likely that cluster one felt less vulnerable and more powerful when faced with a dependent relationship because they had established strong channels of communication with the supplier, while the Voicers had the worst channels of communication with the supplier.

The second construct included in the stepwise discriminant model was the communications construct. The scale included the following items: REL (7)-(10), and (12). Displayed for each variable is the corresponding univariate F-test.

Hypothesis 8: Communications will be different across behavioral intention clusters (Etgar, 1979).  
(The null hypothesis is rejected)

REL (7) - This supplier informs me in a timely manner about out of stock items. (F-Ratio = 3.157;  $P < 0.028$ )

REL (8) - This supplier is well equipped to serve his/her market promptly. (F-Ratio = 3.567;  $P < 0.016$ )

REL (9) - This supplier is often late in informing me and my firm about problems arising from the introduction of new products or supplies. (F-Ratio = 0.902;  $P < 0.443$ )

REL (10) - I occasionally cancel orders with this supplier. (F-Ratio = 1.144;  $P < 0.334$ )

REL (12) - Merchandise is seldom incorrectly labeled or handled by the supplier's distribution staff. (F-Ratio = 0.955;  $P < 0.417$ )

In this construct only Rel (7), Rel (8) was significant across clusters. In looking at Rel (8), it would seem that this item tended to lose face validity and meaning as it relates to communications issues. Etgar (1979) used this item to measure channel noise. In a general sense, channel noise does ultimately hint at a communication problem; however, these agents may not have perceived the supplier's ability to serve the market promptly a communication issue. Overall, poor communication skills have been cited in the organizational literature as a contributor to conflict. Miscommunications that take place in the dyad will be likely to translate into complaint behavior. This study was able to reject the null hypothesis with significant findings.

The third construct that was included in the stepwise discriminant model was expertise. The scale included the following items: REL (18), (21), and (22). Displayed for each variable are their corresponding univariate F-tests.

Hypothesis 3: The expert power demonstrated by the supplier will be different across behavioral intention clusters (Hunt and Nevin, 1974).  
(The null hypothesis is rejected)

REL (18) - I don't respect this supplier's competence and good judgment when we have to solve joint problems. (F-Ratio = 4.813;  $P < 0.003$ ).

REL(21) - I respect this supplier's technical expertise about matters related to long-term purchasing agreements. (F-Ratio=4.529; P<0.005).

REL(22) - I don't respect this supplier's expertise about matters related to inspection of materials before shipment. (F-Ratio=8.772; P<0.000).

In this construct all variables were significant across clusters. The Passive/Optimistic agreed most strongly that the supplier exhibited expert power, while the Voicers had the lowest levels of agreement. The Passive/Optimistic group considered their suppliers to be knowledgeable and competent in their domains, while the Voicers did not. The use of noncoercive powers such expert power to control other channel members has been suggested in the organizational literature (Wilkinson 1979). If channel members are satisfied with another firm's performance, especially in areas that affect their firm, not only will complaint behavior decrease, but it could be an important source of power in that relationship. The suppliers that catered to the Passive/Optimistic group did a good job in using high levels of expert power. The outcome of its use was a positive attitude in the purchasing agent and an agent that was unlikely to use third party/public action dimensions of complaint behavior.

The last construct included in the stepwise discriminant model was the domain dissensus construct. The scale included the following items:

REL(1), (11), and (17). Displayed for each variable are their corresponding univariate F-tests.

Hypothesis 7: The domain dissensus will be different across behavioral intention clusters (Etgar, 1979).

(The null hypothesis is rejected)

REL (1) - This supplier wants to influence my firm's choice of markets to serve. (F-Ratio = 1.894; P<0.137).

REL (11) - This supplier does not want control over issues my firm should control, especially in the area of the merchandise assortment that I buy. (F-Ratio = 0.798; P<0.498.)

REL (17) - This supplier want control over issues my firm should control, especially in the types of technology we use. (F-Ratio = 10.401; P<0.000).

Only REL(17) was found significant across clusters. Discussion of the construct of domain dissensus as a cause of channel member dissatisfaction and conflict has been numerous (Rosenberg and Stern, 1970; Cadotte and Stern, 1979; Stern, El-Ansary, Brown, 1989). Basically, domain dissensus takes place when there are disagreements between channel members about duties to be performed by the various channel members. In this study, high levels of domain dissensus were experienced by the passive/pessimistic. It would seem that suppliers that dealt with the Passive/Pessimistic wanted to control issues, especially in the area technology used. Interestingly, the Passive/Pessimistic group was also exposed to the highest levels of goal incompatibility and the highest levels of perceived punishment from the supplier. With these three negative influences working on their relationship with their supplier, it is no wonder that this group was extremely pessimistic in complaint behavior response patterns. In contrast, the Voicer group experienced the lowest levels of domain dissensus, but also experienced the lowest levels of perceived punishment from the supplier. This group had other problems with their supplier, but because they did not have to face intrusion of the supplier on the agent's domain, and were not exposed to high levels of punishment, they felt free to voice their complaints using the private level actions of complaint behavior.

#### Other Hypotheses

Regarding the remaining alternative hypotheses, this study failed to reject their corresponding null hypothesis. None of the following constructs (length of time, annual revenues, differing perceptions of reality, reward, and legitimate power bases) were found to be significantly different across clusters. The referent and the punishment power base were found to be significant across clusters using analysis of variance; however, referent power was eliminated from inclusion into the initial stepwise discriminant model based upon preliminary insignificant univariate F-tests. Punishment was included in the initial stepwise discriminant

model, but the stepwise algorithm did not include it into the final stepwise solution. The following table shows the F-ratios and corresponding P-values of the variables.

1. Length of time in Relationship - Chi-square statistic = 23.914;  $P < 0.067$
2. Annual Revenues - Chi-square statistic = 26.160;  $P < 0.200$
3. Perceptions of Reality - F-ratio = 1.770;  $P < 0.156$
4. Legitimate - F-ratio = 0.766;  $P < 0.515$
5. Rewards - F-ratio = 1.341;  $P < 0.265$
6. Punishment - F-ratio = 11.102;  $P < 0.000^*$
6. Referent - F-ratio = 4.824;  $P < 0.003^*$

\*significant across clusters at the  $P < .05$  level; however was not included in the model by stepwise discriminant algorithm.

TABLE 5-6  
FAILED TO REJECT EACH NULL HYPOTHESIS

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1. The length of time one member of the dyad has been doing business with the other member of the dyad will be different across behavioral intention clusters (Warland, Herrman, and Willits; Liefeld, Edgecomb, and Wolfe 1975; Bearden and Mason (1984).
  2. The company's annual revenues will be different across behavioral intention clusters (Morganisky and Buckley 1987).
  3. The perceptions of reality among buyers for their supplier will be different across behavioral intention clusters (Etgar 1979).
  4. The reward power demonstrated by the supplier will be different across behavioral intention clusters (Hunt and Nevin 1974).
  5. Legitimate power demonstrated by the supplier will be different across behavioral intention clusters (Hunt and Nevin 1974).
  6. Referent power demonstrated by the supplier will be different across behavioral intention clusters (Etgar 1979).
  7. Punishment power demonstrated by the supplier will be different across behavioral intention clusters (Hunt and Nevin 1974).
-



Hypothesis One and Two. This study did not find significant differences across clusters for any of the demographic data (length of time, annual revenues) measured. This was disappointing, but not unusual. Singh (1990) was only able to find significant differences with age across consumer clusters representing distinct complaint response styles. Several authors have noted that demographic data tends to have very little explanatory power (Singh, 1990, Gronghaug and Zaltman, 1981). Even with this criticism, the gathering of demographic data will continue to be customary, if only for descriptive purposes.

Hypothesis Four, Ten, Eleven and Twelve. The coercive and noncoercive power bases also had little discriminating ability across clusters. Only expertise power was included in the final stepwise discriminant solution. Most studies that have looked at the relationship between the power bases and conflict have done so in a single-industry or even a single-company setting (Hunt and Nevin, 1974). In our field setting, it is possible that other variables contaminated the results, thus reducing the discriminatory ability of the power bases. Lusch (1976) states that controlling for the other causes of conflict such as role deviance, goal incompatibility, and ineffective communications will increase the explanatory capability of the power bases. In addition, Lusch (1976) believes that the dichotomization of the sources of power into coercive and noncoercive power bases may cause the predictive ability of each base to decrease. Separate measures of each source of power might be more beneficial in bringing out the discriminating ability of the construct. Another problem that was found in this study was the inability to get all items representing the various power bases to load on the same factors, using factor analysis. Many power bases had items that loaded on two different factors, suggesting that they should be dropped from the scale. However, purification of the power bases was not part of this study, as this research relied on existing scales to measure each power base. One suggestion for future research is to purify the existing scales and eliminate items that do not load heavily on their appropriate factor. Fortunately, the existing

scales did have relatively high Cronbach alphas (except for legitimate power), but more purification work needs to be done in this area.

Hypothesis Six. Finally, perceptions of reality were found to hold very little discriminating ability. These results are also disappointing and contrary to Etgar (1979), who found attitudinal factors such as differing perceptions of reality, clarity in channel roles, and intrachannel noise responsible for generating effective and manifest conflict within a channel setting.

## CHAPTER VI

### CONCLUSIONS, LIMITATIONS AND IMPLICATIONS

This study was undertaken to fill an important gap in the organizational marketing literature. Specifically, recognition and understanding of how channel members respond to negative encounters with other channel members are important in channel management. From a consumer marketing perspective, much of this research centers on the interaction between a consumer's expectations of a product performance and the actual product performance. The literature examining responses by consumers to specific dissatisfying experiences is quite extensive, formalized and has been labeled consumer "complaint behavior". A specific construct equivalent to consumer complaint behavior from an organizational perspective has only been briefly mentioned and has not previously been formalized. In order to establish a framework for studying organizational complaint behavior, this paper has theoretically described the construct; it has created a process model of organizational complaint behavior; and it has proposed a typology of organizational complaint behavior. This proposed typology was tested for internal and external validity. In addition, key variables considered useful for predicting organizational complaint behavior were identified. The basic research questions asked in this study are the following:

#### Research Question One

What types of distinct complaint response styles are used to communicate dissatisfaction from an organizational perspective? This study produced a close replication of Singh's (1990) research, yielding a three dimensional construct of complaint behavior from an organizational perspective. Using factor analysis all items in the scale measuring

organizational complaint behavior loaded cleanly on their respective dimensions, which were subsequently labeled No Action/Voice; Private Action; and Third Party/Public Action dimensions. Using the factor scores corresponding to the above three factor solution as input into a cluster analysis, an optimum hierarchical four cluster solution was identified. This cluster solution was also a close replication of Singh's research. Using an adapted labeling system borrowed from the Singh study, the four clusters representing organizational complaint behavior response styles were named Passive/Optimistic; Passive/Pessimistic; Voicer; and Activist. This study found two clusters of purchasing agents, the Passive/Optimistic and the Activist, that had excellent relationships with their suppliers, and two other groups, the Passive/Pessimistic and the Voicer, that had poor relationships with their suppliers. In each cluster grouping, agents demonstrated different styles of organizational complaint behavior. For example, in the two groups that had good relationships with their suppliers, the Passive/Optimistic predominantly used the no action/voice dimension of complaint behavior, while the Activist used the third party/public dimension of complaint behavior.

In the two groups that had poor relationships with their suppliers, both tended to use some combination of no action/voice and/or private action complaint behavior. However, the motivation for their behavior was quite different, thus providing reason to classify each cluster's response style into a different category. For example, the Passive/Pessimistic agents seemed to believe that the supplier could and would apply pressure and penalize their firm if they complained. The Voicer agents did not feel that this behavior on the part of the supplier was likely. Therefore, the Passive/Pessimistic was most likely to do nothing and the Voicer was most likely to engage in private actions of complaint behavior. Consequently, this study was able to identify a typology of complaint behavior consisting of four distinct response styles from an organizational perspective. These results closely replicate the complaint response styles found in a consumer setting.

## Research Question Two

Can typologies of organizational complaint response styles be validated? The organizational complaint behavior typology consisting of four distinct complaint response styles was validated using discriminant analysis. Three significant discriminant functions were created using the raw behavioral intention data as independent variables. The dependent variable used in this analysis was the cluster groupings. These three functions were highly significant at the  $p < .001$  level and correctly classified 93.23% of all cases into their appropriate cluster groupings. Thus, the typologies were definitely validated. Two items in the behavioral intentions scale, Behint (1) doing nothing about the experience, and Behint (11), reporting the incident to the appropriate agencies so that they could warn others, had the most discriminating power within these functions. In light of the fact that three highly significant functions were produced in this study, evidence for convergent and nomological validity regarding the organizational complaint behavior typology exists. These findings are crucial requirements in providing further evidence for the construct validity regarding the organizational complaint behavior typology. Evidence of convergent validity was found in that three functions measuring the construct of organizational complaint behavior were highly correlated to that construct. Evidence of nomological validity was found because this study contributed to the incremental building of a "nomological net, thus allowing for further deductions, interpretations and tests", regarding the construct of organizational complaint behavior (Green and Tull, 1978, p. 198). In building this nomological net, this study utilized existing consumer theory dealing with consumer complaint behavior to formulate a construct of organizational complaint behavior; it made use of an adapted methodology taken from the consumer literature to validate the construct of organizational complaint behavior; and it built a model of organizational complaint behavior, analogous to models of consumer complaint behavior.

### Research Question Three

Is it possible to identify the characteristics that predict these various complaint behavior response styles? This study was also able to identify four key organizational indexes (expertise, domain dissensus, communications, and dependence) that were extremely useful in predicting organizational complaint behavior response styles. Using the above indexes, discriminant functions were formed that correctly predicted 80% of the respondents' membership to be in the same group that the cluster analysis indicated. These results are significantly higher than the Singh (1990) study, which correctly predicted 59% of the respondents to be in the same group that the cluster analysis indicated. In addition, tau for this study was calculated at 65.84%, which means that these particular functions made 65.84% fewer errors than would be expected by random assignment. Even more exciting, the predictive accuracy of the organizational discriminant functions were almost one and half times better than the predictive accuracy of the consumer discriminant functions formulated by Singh (1990). In addition, this is the first study dealing with the organizational complaint behavior construct, and the first dealing with complaint behavior in general, that has been able to identify variables in predicting complaint behavior with a high degree of accuracy.

Demographic variables were also used to predict cluster group membership. None of these variables were significantly different across clusters. This finding replicates various studies in the consumer literature that have found demographic variables to be poor predictors of complaint behavior, however results are often mixed. Overall, research with the purpose of uncovering variables that could predict complaint behavior response styles has been fruitful, as two individual (communications and domain dissensus) and two situational (expertise and dependence) variables have been found capable of predicting organizational complaint behavior response styles with a very high degree of accuracy.

### Limitations

This study should note some of the possible limitations to these results. First, this research is based upon data collected from one state located in the Southern region of the United States. This fact limits the ability of the researcher to generalize these results to other groups of purchasing agents located in other parts of the country. Second, non-response bias was a concern in this study that arose from problems in collecting the data. These problems were created by a three to four week time lag that developed between receiving the first half of the data and receiving the second half of the data. Every effort was taken to measure the extent of non-response bias corresponding to this data, and fortunately no significant bias was found. Third, difficulties in collecting the data also produced somewhat low response rates. However, it has been cited that lower response rates are expected in organizational research as compared to consumer research (Katz, 1979; Powers, 1991). Surprisingly, however, the 14.26% usable response rate in this study was better than Singh's (1990) consumer study with a usable response rate of 11.7%. Fourth, this typology of organizational complaint response styles was formed from behavioral intention data. This casts some doubt about the validity of the typology; however, consumer research has found that behavioral intention models are superior to standard multiattribute models in predicting future behavior (Ryan and Bonfield, 1980). Unfortunately this research did not compare the purchasing agent's actual behavior to the reported behavioral intention data, thus limiting what can be said about the systematic error represented by deliberate falsification, or unconscious misrepresentation.

### Theoretical Implications

This study successfully used an adapted methodological approach put forth by Furse, Punj, and Stewart (1984), and Jagdip Singh (1990) to develop a valid typology of complaint behavior from an organizational perspective. This approach has yielded a generalizable typology of organizational complaint behavior, rather than a typology that is bound to a

specific situation. In addition, a factor analysis yielded a three dimensional organizational complaint behavior construct; a close dimensional replication of complaint behavior from a consumer perspective. Also, the factor scores corresponding to a three factor solution were used to produce an optimum hierarchical four cluster solution. This is another theoretical replication that provides parsimony across both the consumer and organizational marketing literatures, verifying that four distinct types of complaint behavior response styles do exist from both perspectives. Also, the method used in this study is a systematic approach for understanding the nature of organizational complaint behavior. This paper built a conceptual model of organizational complaint behavior that formalized the construct. This research was also successful in validating a typology of organizational complaint behavior, thus providing evidence for both nomological and convergent validity. In addition, the identification of variables helpful in predicting organizational complaint behavior was embarked upon from both a theoretical perspective and from a practical perspective. Theoretically, scales previously developed to measure consumer complaint behavior were adapted in order to measure organizational complaint behavior. The organizational complaint behavior intentions scale was shown to be reliable and valid across various situations, environments, and industries. The empirical process found four indexes to be significant in distinguishing differences between organizational complaint behavior response styles. These findings provide encouragement for future empirical research to predict organizational complaint behavior. Predictive results might be improved even more if the sample size were larger and/or if the scales used in this study were purified using Churchill's paradigm for better measures. In addition, future studies should make a concerted effort to create a more reliable scale to measure the construct of legitimacy, as this measure taken from the organizational literature exhibited very low levels of reliability.

#### Practical Implications

Expertise, communications, domain dissensus and dependence between the buyer and



seller were significant constructs differentiating types of complaint behavior response styles. It will be helpful to make suggestions that will achieve the end goals of reducing the likelihood of high levels of manifested complaint behavior.

For a long term solution, this commitment starts with a desire from all participants in the channel to solve the problems that exist. The findings are important to those solutions. Programs can be instituted that would promote certain styles of complaint behavior over others. For example, the Passive/Optimistic agents had excellent relationships with their suppliers. Anytime that a dissatisfying experience arose, the Passive/Optimistic group tended to make use of the no action/voice dimension of complaint behavior. In particular this group immediately requested that the supplier take care of the problem. This type of response represents cooperative action on the part of the agent with the supplier, fostering a healthy relationship in the dyad. The Passive/Optimistic agents expressed positive attitudes towards the supplier; perceived the supplier to be sensitive to the needs of the agent; perceived the supplier as being willing to cooperate with the agent's programs; and perceived the supplier as a partner rather than an adversary.

To create these desirable relationships, the agent must perceive the supplier as having a high level of expertise. The Passive/Optimistic cluster of agents witnessed that their supplier had the highest level of expertise among all cluster groupings. Joint problem solving, technical support about matters related to long-term purchasing agreements, and support in areas pertaining to the inspection of materials before shipment are critical areas that the supplier must improve and develop. With consumers demanding ever higher quality products, high levels of expertise is a requirement in meeting those demands. Second, the Passive/Optimistic agents experienced low levels of domain dissensus. It is important for suppliers to limit activities that might infringe upon the agent's area of responsibility, such as the area of choice of markets served, the merchandise assortment bought, and the control over the types of technologies used. Mutual agreement between the two parties as to their

appropriate domains of operation is a necessity. This agreement should foster a placid relationship between the buyer and seller. Third, the agent and the supplier should try to cultivate a relationship of mutual dependence. The Passive/Optimistic agents expressed strong dependence upon the supplier in the areas of policies, goals, and resources. However, it should be noted that dependence in this relationship was not manifested to the extreme. The Passive/Optimistic group demonstrated only the second highest level of dependence in their relationship with the supplier. The highest level of dependence was expressed by the Activist. For various reasons including dependence, these agents tended to exhibit third party/public action dimensions of complaint behavior. Third party/public action dimensions of complaint behavior could ultimately prove destructive in the buyer-seller relationship. It is possible that moderate levels of dependence may act to diminish high levels of complaint behavior. Finally, the Passive/Optimistic agents expressed the highest quality communication links between the agent and the supplier among all clusters. Channels of communication between the agent and the supplier were very informative and forthright about information pertaining to out of stock items. In addition, the agent perceived the supplier as being well equipped to serve his/her market promptly. Quality communications in the buyer-seller dyad seem to be the glue that holds the relationships together, and also acts as an antigen to protect against the root beginnings of complaint behavior and conflict.

For a short term solution and/or unilateral solution, the agent and the supplier can improve communication links by tracking and improving information flows to be sure that those who need to have the information receive it. One way to quickly improve communication links is to authorize the use of phone and fax machines to clarify issues that potentially might give rise to complaint behavior. Also, in the short term an emphasis must be placed upon face to face communication, especially when extremely important clients or suppliers are involved. This could be done by providing more liberal travel budgets for key players particularly when engaging fire fighting activities. In addition, the use of conference

calls might also help to improve communications in the buyer-seller dyad. The organizational literature has also suggested the establishment of electronic data interchange systems (Stern, El-Ansary, and Brown, 1979). These systems "reduce operating costs" by providing "accurate and faster communications" (p. 216). Better communication links in the buyer-seller dyad work to establish competitive advantages and thus could translate into barriers to entry for potential new competitors (Stern, El-Ansary, and Brown, 1979).

This paper has successfully linked consumer complaint behavior with the creation of an organizational complaint behavior construct. Empirical research has shown these constructs to be very similar across circumstances, companies, and industries. This paper has provided more evidence against the dichotomization of marketing concepts. Future researchers should be committed to combining theoretical concepts from both the consumer and the organizational literatures in order to create parsimony.

#### Future Research Implications

Future research in this area should make a concerted effort to improve and purify the measures used in this study. Each construct was measured using existing scales with only slight adaptations made to assure proper use of relevant vocabulary in an organizational setting. Second, a conceptual model was built diagramming organizational complaint behavior. This conceptual model could be used as a guide for the development of a causal model of organizational complaint behavior. A causal model would allow the researcher to make amplified comments regarding predictive validity involving the various constructs. Finally, future research should compare actual organizational complaint behavior, to reported behavioral intentions in order to determine if dimensionality can be replicated. The replication of the proposed typology using actual organizational complaint behavior has never been done. A similar study can be designed concentrating on actual complaint behavior.

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## APPENDIXES

**APPENDIX A**

**TREE DIAGRAM**

## DISTANCES

0.000		50.000
98-		0.861
56-		2.432
16-		0.423
34+		0.298
36+		0.602
68+		0.351
70-		1.398
82-		0.204
119+		0.578
14+		0.294
22-		7.636
52-		0.320
120+		0.740
86+		0.195
49-		1.433
46-		0.198
100+		0.050
80+		0.129
17+		0.522
42+		0.050
106+		0.447
37-		2.382
59-		0.734
118+		0.317
45+		0.357
89-		

46-	6.834
63-	1.075
21-	1.767
58-	21.542
6-	1.274
105-	0.547
35-	4.290
20-	0.846
115-	2.121
121+	0.602
102-	0.259
131-	2.350
94+	0.454
31-	0.240
85-	1.361
88-	0.277
44-	16.775
113+	0.557
43+	0.186
50-	0.157
76-	1.169
32+	0.251
23-	0.491
124-	2.159
110+	0.092
107+	0.388
101+	0.078
116+	0.066
54+	0.637



18+	0.000
50-	0.209
128-	1.067
75+	0.064
41+	0.424
2+	0.162
114+	0.136
126+	0.092
87-	0.332
66-	20.864
15+	0.426
9+	0.574
132-	0.297
40-	0.904
27-	0.295
55-	1.886
108+	0.149
129-	0.675
4-	3.382
28+	0.234
78+	0.377
109+	0.129
19+	0.196
53+	0.508
93-	0.176
12-	1.039
96+	0.117
25+	0.086
62+	0.480

95+		0.185
112-		0.058
130-	+	2.552
97+		0.294
117+		0.206
91+	+	0.441
65-		0.153
90-	+	1.105
2+		0.393
33-		0.231
84-	+	5.824
29+		0.104
81+		0.000
93+	+	0.465
123+		0.094
11+		0.200
73-		0.143
74-	+	1.000
26+	++	0.000
72-		0.000
10-		0.772
77+		0.104
125+		0.229
61+		0.229
69+		0.052
99+	+	0.061
7+		0.411
3-		0.093
39-	+	0.093
		0.125
		2.405

122+		0.168
1+		0.053
47+		0.635
57+		0.132
92+		0.078
13+		0.150
127-		0.311
64-		10.847
67+		0.233
71+		0.109
5+		0.753
79+		0.125
104+		0.293
111+		0.114
24+		0.418
51-		0.171
133-		1.278
103+		0.059
38+		0.108
30-		0.373

**APPENDIX B**

**SURVEY INSTRUMENT**

**A. PLEASE RECALL A DISSATISFYING EXPERIENCE WHICH AROSE AS A RESULT OF AN ORDER FOR A PHYSICAL GOOD (NOT A SERVICE) GIVEN TO A KEY SUPPLIER.**

FROM THE FOLLOWING LIST, PLEASE CHECK THE PHRASE WHICH BEST DESCRIBES YOUR DISSATISFYING EXPERIENCE. IF NOTHING FROM THE LIST MATCHES THE EXPERIENCE WHICH COMES TO MIND, PLEASE DESCRIBE THE INCIDENT BRIEFLY. CHECK ALL ITEMS THAT APPLY.

- |   |   |
|---|---|
| <input type="checkbox"/> A. Delivery not as scheduled                 | <input type="checkbox"/> F. Problems with salesperson   |
| <input type="checkbox"/> B. Wrong product delivered                   | <input type="checkbox"/> G. No follow-up service        |
| <input type="checkbox"/> C. Poor product design                       | <input type="checkbox"/> H. Inappropriate price         |
| <input type="checkbox"/> D. Defective product                         | <input type="checkbox"/> I. Inaccurate billing          |
| <input type="checkbox"/> E. Damage caused by poor packing or loading. | <input type="checkbox"/> J. Order quantity problems     |
|   | <input type="checkbox"/> K. Other; Please specify _____ |

1. THE APPROXIMATE COST OF THE MATERIALS ASSOCIATED WITH DISSATISFYING EXPERIENCE. \$ \_\_\_\_\_  
 1A. THE ESTIMATED COST OF DEALING WITH THIS PROBLEM (PAPERWORK, DOWNTIME, ETC.). \$ \_\_\_\_\_

2. PLEASE CHECK THE BLANKS ON THE LEFT TO INDICATE ALL ACTIONS YOU TOOK IN RESPONSE TO THE EXPERIENCE YOU DESCRIBED ABOVE. THEN, CIRCLE THE NUMBER IN THE RIGHT-HAND COLUMN WHICH INDICATES WHETHER OR NOT THE ACTION HAD THE RESULTS YOU DESIRED. IF YOU HAVE NO INFORMATION CONCERNING THE RESULTS OF AN ACTION, CIRCLE "NO INFO."

	After this dissatisfying incident occurred, which of the following action(s) did you take? (Please check all that apply.)					Did this action have the results you desired? (Circle your answer)				
	Definitely No				Definitely Yes					
<input type="checkbox"/> Decided to do nothing about the dissatisfying experience.	1	2	3	4	5					No Info.
<input type="checkbox"/> Immediately requested that the supplier take care of the problem.	1	2	3	4	5					No Info.
<input type="checkbox"/> Spoke with other purchasers in my firm about the dissatisfying experience with this supplier.	1	2	3	4	5					No Info.
<input type="checkbox"/> Kept the product, but complained to the supplier.	1	2	3	4	5					No Info.
<input type="checkbox"/> Reworked unsatisfactory material and charged supplier cost of rework.	1	2	3	4	5					No Info.
<input type="checkbox"/> Returned product for replacement or refund.	1	2	3	4	5					No Info.
<input type="checkbox"/> Recommended that our firm not buy from the supplier again.	1	2	3	4	5					No Info.
<input type="checkbox"/> Described the bad experience to purchasing agents in other firms.	1	2	3	4	5					No Info.
<input type="checkbox"/> Wrote a letter to the trade press about the experience.	1	2	3	4	5					No Info.
<input type="checkbox"/> Contacted the appropriate trade association about the experience.	1	2	3	4	5					No Info.
<input type="checkbox"/> Contacted appropriate government and/or private agencies about the dissatisfying experience.	1	2	3	4	5					No Info.
<input type="checkbox"/> Called for third party arbitration to resolve the problem.	1	2	3	4	5					No Info.
<input type="checkbox"/> Advised my firm to take legal action against the supplier.	1	2	3	4	5					No Info.

B. PLEASE INDICATE WHETHER YOU AGREE OR DISAGREE WITH EACH OF THE FOLLOWING STATEMENTS CONCERNING YOUR RELATIONSHIP WITH THE SUPPLIER WHO CREATED THE PROBLEM DESCRIBED ON PAGE ONE.

	<u>Strongly</u> <u>Disagree</u>				<u>Strongly</u> <u>Agree</u>	<u>Not</u> <u>Applicable</u>
<u>Concerning my relationship with this supplier:</u>						
1. This supplier wants to influence my firm's choice of markets to serve.	1	2	3	4	5	NA
2. I have more knowledge about suppliers in a particular market than this supplier expects me to have.	1	2	3	4	5	NA
3. I don't view this supplier as a rival, instead a partner, within my industry.	1	2	3	4	5	NA
4. This supplier doesn't think that he/she is irreplaceable.	1	2	3	4	5	NA
5. This supplier and I have different opinions about the real nature of competition in this industry.	1	2	3	4	5	NA
6. This supplier rarely helps my firm when competition in the industry intensifies.	1	2	3	4	5	NA
7. This supplier informs me in a timely manner about out of stock items.	1	2	3	4	5	NA
8. This supplier is well equipped to serve his/her market promptly.	1	2	3	4	5	NA
9. This supplier is often late in informing me and my firm about problems arising from the introduction of new products or supplies.	1	2	3	4	5	NA
10. I occasionally cancel orders with this supplier.	1	2	3	4	5	NA
11. This supplier does not want control over issues my firm should control, especially in the area of the merchandise assortment that I buy.	1	2	3	4	5	NA
12. Merchandise is seldom incorrectly labeled or handled by the supplier's distribution staff.	1	2	3	4	5	NA
13. I always buy enough to make my firm a profitable customer for this supplier.	1	2	3	4	5	NA
14. This supplier needs to make order processing and distribution operations more effective.	1	2	3	4	5	NA
15. I often feel that this supplier does not concentrate enough on me, the customer.	1	2	3	4	5	NA
16. This supplier is primarily concerned with his/her own profitability and is not concerned with his/her customer's best interests.	1	2	3	4	5	NA
17. This supplier wants control over issues my firm should control, especially in the types of technology we use.	1	2	3	4	5	NA
18. I don't respect this supplier's competence and good judgment when we have to solve joint problems.	1	2	3	4	5	NA
19. This supplier needs to improve procurement activities to maintain more appropriate inventory levels.	1	2	3	4	5	NA

	<u>Strongly</u> <u>Disagree</u>				<u>Strongly</u> <u>Agree</u>	<u>Not</u> <u>Applicable</u>
<u>Concerning my relationship with this supplier:</u>						
20. My firm has a long-term contract with this supplier.	1	2	3	4	5	NA
21. I respect this supplier's technical expertise about matters related to long-term purchasing agreements.	1	2	3	4	5	NA
22. I don't respect this supplier's expertise about matters related to inspection of materials before shipment.	1	2	3	4	5	NA
23. This supplier has the right to expect cooperation from me and my firm regarding delivery of purchases.	1	2	3	4	5	NA
24. This supplier complies with the legal requirements of our relationship.	1	2	3	4	5	NA
25. This supplier doesn't have the right to determine the final selling price for his product.	1	2	3	4	5	NA
26. This supplier has the right to expect cooperation from me and my firm regarding product choice and/or substitutions.	1	2	3	4	5	NA
27. This supplier usually acts in a way that merits my respect.	1	2	3	4	5	NA
28. This supplier can apply pressure and penalize our firm if we complain about his/her service quality.	1	2	3	4	5	NA
29. This supplier can apply pressure and penalize our firm if we do not pay promptly for our purchases.	1	2	3	4	5	NA
30. This supplier can pressure our firm to buy products we don't need in order to get products we want.	1	2	3	4	5	NA
31. This supplier provides special help and benefits to firms which:						
a. cooperate by providing access to important market information.	1	2	3	4	5	NA
b. cooperate by buying in large lots.	1	2	3	4	5	NA
c. provide important financial and business advice.	1	2	3	4	5	NA
32. My firm considers this supplier's company a major business partner.	1	2	3	4	5	NA
33. The purchases we have with this supplier don't contribute substantially to our firm's profit.	1	2	3	4	5	NA
34. My firm's policies, goals and resources does not include a strong commitment to this supplier.	1	2	3	4	5	NA
35. It would be very difficult (i.e. effort and cost) for my firm to replace this supplier and substitute a competitor's products.	1	2	3	4	5	NA
36. This supplier is also a major customer.	1	2	3	4	5	NA

C. PLEASE IMAGINE THAT ANOTHER DISSATISFYING EXPERIENCE, SIMILAR TO THE INCIDENT THAT YOU DESCRIBED ON PAGE ONE, JUST TOOK PLACE. CIRCLE HOW LIKELY OR HOW UNLIKELY YOU WOULD BE TO RESPOND AS INDICATED BELOW TO THIS EXPERIENCE. (THIS DOES NOT HAVE TO INVOLVE THE SAME SUPPLIER YOU DESCRIBED EARLIER).

	<u>Very Unlikely</u>			<u>Very Likely</u>	
1. Do nothing about the experience.	1	2	3	4	5
2. Immediately request that the supplier take care of the problem.	1	2	3	4	5
3. Discuss the dissatisfying experience with other personnel in my firm.	1	2	3	4	5
4. At the time of next order, definitely complain to the supplier about the experience.	1	2	3	4	5
5. Rework unsatisfactory material and charge supplier cost of rework.	1	2	3	4	5
6. Return the product for replacement or refund.	1	2	3	4	5
7. Decide not to deal with the supplier again.	1	2	3	4	5
8. Describe the bad experience to purchasing agents in other firms.	1	2	3	4	5
9. Write a letter to the trade press about the experience.	1	2	3	4	5
10. Complain to a trade association and ask them to help resolve the situation.	1	2	3	4	5
11. Report the incident to the appropriate agencies so they can warn others.	1	2	3	4	5
12. Call in third party for arbitration to resolve problem.	1	2	3	4	5
13. Decide to take some legal action against the supplier.	1	2	3	4	5

D. OTHER BACKGROUND INFORMATION

1. PLEASE CHECK THE BLANK(S) WHICH BEST DESCRIBE(S) YOUR EDUCATIONAL EXPERIENCE:

H. S./ Some College;     2 YR. College Degree;     4 YR. College Degree;  
 Graduate Work;     Master's Degree;     Special Purchasing Training or Seminars

CHECK ONE BLANK IN EACH OF THE FOLLOWING:

2. HOW LONG HAVE YOU DONE BUSINESS WITH THIS PARTICULAR SUPPLIER?

0 - 6 months;     7 - 12 months;     13 - 23 months;     2 - 4 years;     5 - 8 years;     9 years and over.

3. YOUR COMPANY'S OVERALL ANNUAL REVENUE:

Less than \$1 million;     \$1 - \$10 million;     \$10 - \$20 million;     \$20 - \$50 million;  
 \$50 - \$100 million;     \$100 - \$200 million;     More than \$200 million.

4. APPROXIMATE NUMBER OF PEOPLE YOUR COMPANY EMPLOYS:

0-5;     6-25;     26-50;     51-100;  
 101-250;     251-500;     501-1000;     over 1000.

5. YOUR OVERALL PURCHASING EXPERIENCE:

0 - 6 years;     7 - 12 years;     13 - 16 years;     17 or more years

6. INDICATE PRESENT JOB TITLE OR POSITION : \_\_\_\_\_

**THANK YOU** FOR PARTICIPATING IN THIS RESEARCH. A SUMMARY OF THE RESULTS WILL BE PUBLISHED IN THE ALABAMA PURCHASOR WHEN THEY BECOME AVAILABLE. I'D BE HAPPY TO SEND YOU A COPY IF YOU WRITE ME AT THE FOLLOWING ADDRESS: SCOTT HANSEN; DEPARTMENT OF MARKETING; UNIVERSITY OF ALABAMA at BIRMINGHAM; BIRMINGHAM, AL 35294-4460.





VITA

Scott William Hansen

Candidate for the Degree of  
Doctor of Philosophy

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CHANNEL MEMBERS

Major Field: Marketing

Biographical:

Personal Data: Born in New Orleans, Louisiana, December 23, 1958, the son of  
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