Complaint Handling and Post-Complaint Satisfaction of Customers of Eateries in Port Harcourt, Nigeria

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ABSTRACT

Service failure is a phenomenon that has continued to characterize service industries. Though firms strive to deliver excellent service, human and nonhuman errors have made zero-defect service delivery a mere wish. Complaint handling serve as a cogent remedy for customer issues arising from unsatisfactory service deliveries. The current study examined the link between complaint handling and post-complaint satisfaction of customers of eateries in Port Harcourt. The study adopted a descriptive research design and employed the use of questionnaire as the instrument of inquiry. Data collected from four hundred and fifteen (415) respondents was utilized in the final analysis of the study, using the Spearman’s rank order correlation (rho) as the test statistic and relying on SPSS version 16.0. Based on the analyses, the study found that complaint handling and post-complaint satisfaction have a positive and significant correlation; as all the dimensions of complaint handling considered in the study were found to have strong positive links with post-complaint satisfaction. The study thus concludes that post-complaint satisfaction is significantly influenced by complaint handling through customer-firm interaction, complaining accessibility and compensation policy; and recommends that eateries in Port Harcourt that desire a satisfied customer base should promote friendly, polite and honest interactions with complaining customers and institute accessible complaint procedures to enable customer lodge complaints when the need arise.

Keywords: Complaining accessibility, complaint handling, compensation policy, customer-firm interaction, post-complaint satisfaction

INTRODUCTION

The intensity and fierceness of competition in contemporary markets have heightened customers’ awareness with respect to acceptable or tolerable levels of service delivery. Service providers have therefore been mindful of the quality of service they deliver to their customers. However, due to human and non-human errors (Ateke et al 2015; Kau & Loh, 2006), instances of service delivery that fall short of customers’ expectation still do occur. This is not necessarily a result of nonchalance on the part of service providers; but a consequence of the unique nature of services and the individuality of consumers. Thus, service providers are encouraged to continually gauge the quality of service they deliver, and also seek feedback from their customers. They are also encouraged to provide access to customers to lodge complaints when they are dissatisfied with the quality of service delivered to them.

However, Stephens and Gwinner, (1998) notes that some dissatisfied customers do not lodge formal complaint because (1) they regard it as an action that does not worth the efforts (2) they do not believe that they will get restitution (3) they consider it unpleasant (4) they do not know how and to whom to lodge their complaints (5) they want to avoid conflict, especially if it involves people who they know and will have to cooperate with again. Goodwin and Verhage (1990) suggests that other reasons that discourage customers from complaining are (1) the feeling that they do not have the power to question the service providers’ expertise due to social norms (2) lack of requisite knowledge. This implies that complaint behaviour depends on customers’ perception and social norms (Wasfi & Kostenko, 2014). Nevertheless, Lovelock and Wirtz (2011) suggests that customers ought to complain if and when they...
experience service failure in order to (1) get restitution (2) escape anger and recover self-esteem (3) help improve service quality; or (4) just altruistic motives. Moreover, effective complaint handling involves instituting policies and procedures that helps the firm to assuage disgruntled customers and return them from the verge of dejection and defection to the altitude of satisfaction and loyalty (Ateke et al, 2015).

The service recovery paradox (Etzel & Silverman, 1981) is a dominant feature of the service marketing literature (Matos et al, 2007). It suggests that effective service recovery provides customers with higher satisfaction than if no failure has occurred in the first place (Maxham, 2001). Although some scholars tend to disagree with this position (e.g. Sousa & Voss, 2009; McCollough et al, 2000), it is observed that complaint handling is one avenue open to service providers to correct mistakes and cement relationships; even as the different socio-cultural background of individual customers condition them to expect different results from service providers in their service encounters (Wasfi & Kostenko, 2014). Also, as Blodgett et al (1995) observes, satisfactory or unsatisfactory handling of complaints determines whether a customer will patronize the seller again or shift his loyalty; and whether that customer will engage in negative or positive evangelism for the service provider. With a view to entering the discourse on the association between complaint handling and post-complaint satisfaction therefore, the current study seeks to examine the nexus between the variables, using eateries in Port Harcourt as the data base.

LITERATURE REVIEW AND HYPOTHESE DEVELOPMENT

Complaint Handling

A complaint is an expression of discontent by a customer/consumer, addressed to a service provider, third parties or consumer protection agencies in the event of service failure (Ateke et al, 2015). It is a set of behavioural and nonbehavioral responses, some or all of which are triggered by perceived dissatisfaction with a purchase episode (Singh, 1989). Complaints can also be looked at as those actions that directly convey expressions of dissatisfaction following service deliveries that fall short of acceptable or tolerable standards (Halstead & Droge, 1991). Customers complain when they experience a service performance that falls below their expectation, and the consequent dissatisfaction they feel. Thus, dissatisfied customers are more likely to complain than satisfied ones (Keiningham et al, 2015). Complaint handling is therefore the procedures and actions of service providers aimed at addressing customer complaints and recovering dissatisfied customers (Taleghani et al, 2011). Based on the various ways customers express their displeasure with service failure, Crie and Ladwein (2002) identify complainers and non-complainers as two distinct groups of customers that experience dissatisfaction; while Taleghani et al (2011), Singh (2008), Strauss (2002, 2004) and Stauss and Schoeler (2004) classify consumers into four broad categories based on their reactions to dissatisfaction. These are passives, voicers, irates and activists.

Understanding consumers’ complaining behaviour requires a continuous assessment of negative feedback and criticism from consumers. Firms must therefore not only carry out sophisticated computerized analysis, but should also contact dissatisfied customers directly to ascertain their grouse against of the company (Verma & Kaur, 2001). This is because firms are in a continual search for better ways of serving their customers so as not to lose them to competitors who are keen on attracting new customers. And also because a firm that does not look after its own customer will lose them to some others that can attract them with cheaper and better offerings (Ateke et al, 2015). Common practices that serve to assess good complaint handling schemes in organizations exist. George et al (2007) and BSI (2004) identify these practices as standards for effective complaint handling; and they
include visible procedures, easy and free access, responsiveness, objectivity, commitment, confidentiality, customer-focused approach, fairness and organisational ownership and continual improvement. These may also serve as standard guidelines for effective complaint handling.

From an operational perspective, the complaint handling process can be summarized in three sub-dimensions, viz complaining accessibility, customer-firm interaction and compensation policy (Grougiou & Pettigrew, 2009; Mattila & Wirtz, 2004; Maxham & Netemeyer, 2002; Stauss 2002; Johnston & Mehra, 2002; Johnston, 2001). These are adopted in the current study because they are critical aspects of complaint management (Gruber et al, 2006), also because studies suggest that customers make separate determinations between the fairness of the complaint handling process and the actual outcome (Singh & Widing, 1990) and are more concerned with obtaining a fair treatment than a specific result (Hansen et al, 2010; Davidow, 2003).

Complaining Accessibility

Complaining accessibility describes the ease with which complaints procedure can be accessed and utilized by all service users at all times. Accessible complaint procedures are not available only when customers wish to complain; they should be open and accessible at all times. It is important that organizations consider the most effective way to ensure maximum accessibility. This may include placing information in waiting areas where customers can see them. Complaints leaflets can also be helpful and organizations may consider where these can most effectively be displayed.

Complaining accessibility also means that customers will not spend money to lodge a formal complaint; and that the complaint procedure will not be time consuming. It suggests that the methods firms use to handle problems arising from service failure are open to customers and are adaptable to customers’ recovery needs (Nikbin et al, 2010; del Río-Lanza, 2009). Complaining accessibility also involves policies, procedures, and tools that companies use to support communication with customers and specifically, the time taken to process complaints and to arrive at a decision (Davidow, 2003). In sum, complaining accessibility addresses how easy the procedures and processes needed to get recompense for a failed service are for customers (Mattila, 2001). It is more involved with how the outcome is reached (Nikbin, et al 2010); and can be viewed from how flexible, speedy and friendly they are for the customers (Nikbin et al, 2010; del Río-Lanza et al, 2009; Blodgett et al, 1997).

Customer-Firm Interaction

Customer-firm interaction is communication between a firm and its customers intended to allow either of the parties have a feel of the pulse of the other. It fosters friendliness between the customer and the firm. Customer-firm interactions are essential for firms because they enable the firms to serve the customers better; and also give the customers an idea of how well the firm values their relationship with the firm. Customer-firm interactions are thus vital to the success of firms. Relationships are the soul of businesses; and no relationship thrives without interactions. Interactions opens up areas for further business, thus, customer-firm interaction contributes to the long-term success and survival of a business organization by influencing consumers’ perception and evaluation of brands (Gremler & Gwinner, 2000).

Sparks and Callan (1996) and Tyler (1994) states that post-complaint satisfaction is not only based upon the ultimate outcome of the service recovery but also upon the procedures used to reach the outcome. Thus the interpersonal interactions in the service recovery process also affect customers’ evaluation of the degree to which they have been fairly treated by the service provider (Nikbin et al, 2010; Sparks & McColl-Kennedy, 2001). Hence, employees of the service provider are expected to be empathic, friendly, responsive, careful, informative, courteous, honest and offer explanations/
apologies (del Río-Lanza et al, 2009; McColl-Kennedy et al, 2003; Estelami, 2000; Tax et al, 1998). These positive behaviours of employees in their interaction with customers enhance service recovery (Ofori-Okyere & Kumadey, 2015). Thus, customer-firm interaction adorned with social grace gives customers the perception of being fairly treated.

**Compensation Policy**

Compensation policy refers to the company’s laid down rules relating to how tangible resources can be assigned to rectify and compensate for service failures. Giving dissatisfied customers something of value as compensation rather than just apology is often a more effective way of assuaging them in the event of service failure. The efficacy of the compensation policy of a firm is determined by fairness, need, value and rewards of service recovery outcomes (Chebat & Slusarczyk, 2005; Wirtz & Mattila, 2004). Studies suggest that the fairness of the compensation policy of firms have positive effect on recovery evaluation (Hoffman & Kelly 2000; Goodwin & Ross, 1992); just as being responsive and accountable to errors greatly assuages customers’ pain and also demonstrates the firm’s efficiency in its service delivery in spite of initial setback (Seawright et al, 2008).

The responses of the service provider to customers’ complaints are vital to post-complaint satisfaction. Studies suggest that customers respond differently to service failure (Mattila et al, 2011; Seawright et al, 2008). Taking responsibility and offering restitution to customers in the unfortunate incidence of failure in the service process will ease tension and lead to levels of satisfaction (Hill & Baer, 1994). Efficient service recovery returns customers from the brink of defection and informs loyalty behaviours. Apology to customer shows that the firm has taken responsibility for the error. However, for service recovery to be effective, the firm must go beyond simple apology to offering something of value to the customer to cushion the effect of the service failure on the customer (Ateke & Onwujiariri, 2014). Problems arising from service failure can escalate quickly, and the opportunities available for the service provider to demonstrate its commitment to quality are fleeting (Seawright et al, 2008; Hart et al, 1990). However, since service failure is inevitable, employees of service organizations should have better understanding and training on how to handle customer complaints.

**Post-Complaint Satisfaction**

Post-complaint satisfaction describes the extent to which service recovery efforts of firms meet or exceed customers’ expectation and assuage their angst following service failure. It is the sense of satisfaction consumers have after a problem-resolution experience (Mansfield & Warwick, 2000). Failure of service providers to meet expected standards may only upset or annoy customers. Customers will however exhibit complaint behaviour if and when the service provider fails to address the issue immediately (Chang et al, 2008); especially if the failure occurs in the core service (Hoffman & Kelly, 2000). Core service failure is the main cause of customer defection and hostile behaviour; and the objective of service recovery is to move a customer from a state of dissatisfaction to a state of satisfaction (Nikbin et al, 2010).

Ensuring that customers get fair treatment in the event of service failure does not only bring about post complaint satisfaction, it also induces loyalty behaviours. When customers get committed to a service provider, they are likely to forgive a poor service experience (Priluck, 2003) and remain loyal to the service provider. In this regard, research suggests that customers exhibit higher levels of trust and commitment when they are assuaged through adequate service recovery initiatives in the event of service failure, especially, if they have a relationship with the service provider (Priluck, 2003). Such customer-firm relationship according to Zamora et al (2004) and Vasques and Alonso (2000) can be represented by following a sequence that includes trust, relational commitment and loyalty.
Complaint Handling and Post-Complaint Satisfaction

Complaints are integral parts of relationships and of any service activity because mistakes are unavoidable features of human interactions; especially, service deliveries (Boshoff, 1997). Yet firms consider consumer complaints of any kind as indicators of unsatisfactory performance (Taleghani et al, 2011). Complaints thus serve as feedback and help firms to become aware of problems (Crie & Ladwein, 2002). Dissatisfied consumers who complain have a higher level of repurchase intention than those who do not complain (Johnston, 2001; Lau & Ng, 2001). Hence firms do not only devise initiatives to forestall service failures that may trigger complaint behaviours; they also devise ways of handling consumer complaints resulting from service failures when they arise.

Ignoring customer issues exposes poor service deliveries of firms to the world; it compounds minor issues that could be addressed promptly to slip through the cracks. Thus, the manner in which a complaint is handled in a buyer-seller relationship can have either constructive or destructive outcomes (Sohail, 2012). Hence, the contingency perspective of complaint handling (Rahim, 2000) reasoned that the seller must determine the right complaint management approach, after analyzing a particular situation. In general, complaint handling strategies aim to minimize negative outcomes and maximize positive consequences (Sohail, 2012). The ability of the seller to effectively handle complaints in the service delivery process facilitates seamless service recovery, and returns customers from the verge of dejection and defection to the altitudes of satisfaction and loyalty.

Complaint handling must be constructive, positive and professional (Zairi, 2000), mainly because it generates information for quality improvements and impacts customer retention (Strause & Schoeler, 2004). Also, the benefits of regaining the confidence of customers through effective complaint handling outweigh the cost of doing so (Stauss & Schoeler, 2004); since service recovery provides a major opportunity for organizations to generate satisfied customers. Mistakes seem to be inevitable in service delivery; firms must therefore welcome every opportunity to create satisfied customers; even as Lee et al (2012), Wirtz and Mattila (2004) and Hocutt et al (2006) indicate that recovery outcomes, procedures and interactions have joint effect on post-recovery satisfaction. The study thus hypothesizes as follows:

Ho1: There is no significant association between complaining accessibility and post-complaint satisfaction.

Ho2: There is no significant association between customer-firm interaction and post-complaint satisfaction.

Ho3: There is no significant association between compensation policy and post-complaint satisfaction.

METHODOLOGY

The objective of the current study was to determine the link between complaint handling and post-complaint satisfaction. Adopting an explanatory research design, the study employed the use of questionnaire to collect primary data. The researchers had no control over the research elements because the research setting was a non-contrived one. The validity of the study instrument was confirmed through expert jury opinion consisting of members of the academia and practitioners with adequate knowledge of the subject of the study. To ascertain the internal consistency of the measurement items, the instrument was subjected to a test of reliability using the Cronbach’s Alpha test with a threshold of 0.70 set by Nunally (1978). Eight (8) items were used to measure complaining accessibility while five (5) was used to measure customer-firm interaction. Compensation policy was measured through seven (7) items while post-complaint satisfaction had ten (10) items. Complaining accessibility made a Cronbach’s Alpha of 0.836, customer-firm interaction made 0.744, compensation policy made 0.711, while post-complaint satisfaction made 0.716 on the test of reliability.
The population of the study consisted of customers of eateries in Port Harcourt. Using the convenience sampling technique, the study collected data from four hundred and fifteen (415) respondents. The research instrument was administered to the respondents in the eateries, after they have been intimated of the intent of the study. In responding to the questionnaire, respondents were required to indicate the extent to which items on the study instrument describe their perception and experience on the variables under investigation by ticking from 1-5 on a scale where 1= very low extent; 2= low extent; 3= moderate extent; 4= great extent; and 5= very great extent. The study used the Spearman’s Rank Order Correlation as the test statistic, relying on SPSS version 16.0. The key for interpretation considered appropriate for the correlation (r) of study variables was the categorizations set by Evans (1996) where:

- ± 0.19 = Very Weak;
- ± 0.20 - 0.39 = Weak;
- ± 0.40 - 0.59 = Moderate;
- ± 0.60 - 0.79 = Strong; and
- ± 0.80 - 1.0 = Very Strong.

The interpretation process was subject to 0.01 (two tail) level of significance.

**RESULT AND DISCUSSION**

The result of test of hypotheses indicates a positive and statistically significant relationship between complaint handling and post-complaint satisfaction of customers of eateries in Port Harcourt. This is because all the dimensions of complaint handling considered in the study have strong and positive relationship with post-complaint satisfaction. The rho coefficient of association indicates a coefficient of 0.774** between complaining accessibility and post-complaint satisfaction with a probability value of 0.000 > 0.05. The rho coefficient of relationship between customer-firm interaction and post-complaint satisfaction was 0.869** with a probability value of 0.000 > 0.05; while compensation policy and post-complaint satisfaction had a rho coefficient of association of 0.721** with a probability value of 0.000 > 0.05. (See appendix for details).

The finding of the study largely cohere with the position of Stauss and Schoeler (2004) who aver that service recovery provides an opportunity for firms to generate satisfied customers; and that of Wirtz and Mattila (2004) who indicate that the procedures, interactions and outcomes of the service recovery process have joint effect on post-recovery satisfaction. Also, the finding of the current study agrees with that of Boshoff (1997) who found that customer-firm interaction and service recovery procedures affects post-complaint satisfaction in travel setting; and that of Hocutt et al (2006) who found that interactions, redress and responsiveness significantly affects satisfaction and word of mouth in the restaurant setting.

Similarly, the finding of the current study is in agreement with the position of Sparks and Callan (1996) and Tyler (1994) who states that post-complaint satisfaction is not based only on the ultimate outcome of the service recovery but also upon the procedures used to reach the outcome; and that of Nikbin et al (2010) and Sparks and McColl-Kennedy (2001) who states that the interpersonal interactions in the service recovery process also affects customers’ evaluation. The current finding is also in conformity with that of Liu et al (2012) who found that speed of recovery and customer-firm interactions influence greater post-recovery satisfaction in cloud service.
Furthermore, the finding of this study agrees with the position of Maxham and Netemeyer (2002), Maxham (2001), McCollough et al (2000) and Etzel and Silverman (1981) that customers who experience gracious and efficient complaint handling often become a company's best customers because effective complaint handling turns angry customers into loyal ones. Hence, understanding customers and addressing their complaints satisfactorily through honest interactions, easy access to complaint procedures and offering something tangible and valuable to the customers induces repatronage intention and other loyalty behaviours (Ateke et al, 2015).

CONCLUSION AND RECOMMENDATIONS

Concerns about service failures and the subsequent discontent that customers feel cannot be waved aside in view of the heightened enlightenment of present day consumers and the aggressive nature of competition. In as much as firms strive to deliver the best service to the customers the first time, all the time (Ateke et al, 2015) because customers always prefer reliable and error-free service; they must realize that service failures cannot be eliminated totally. Even firms that use the most sophisticated technologies and most competent service personnel still encounter service failure. Indeed, service failure is an unavoidable part of service delivery. Firms must therefore have a formidable complaint handling procedure to deal with customer complaints when they arise.

In view of the finding and discussion presented in the preceding section, the study concludes that complaint handling informs post-complaint satisfaction; and that post-complaint satisfaction depends significantly on customer-firm interaction, complaining accessibility and compensation policy. The study therefore recommends that eateries in Port Harcourt that desire to keep their customers satisfied, especially after a service failure has occurred, should encourage their employees to interact with complaining customers in a friendly, polite and honest manner and institute accessible complaint procedures. They should also have laid down measures of restitution to assuage dissatisfied customers. This study is of the view that such measures will enable eateries to have a satisfied customer base that will not only keep patronizing them, but will also refer others to them.

REFERENCES


Ateke, Brown Walter & Kalu, Sylva Ezema “Complaint Handling and Post-Complaint Satisfaction of Customers of Eateries in Port Harcourt, Nigeria”


AUTHORS’ BIOGRAPHY

Ateke, Brown Walter, is a lecturer in the department of marketing of the Rivers State University of Science and Technology and a Doctoral student of the department of Marketing of the University of Port Harcourt. He holds a Bachelor of Science and Master of Science degrees in Marketing and a Post Graduate Diploma in Education. He has published several articles in learned national and international academic journals.

Kalu, Sylva Ezema, is a Professor of Marketing of the University of Port Harcourt. He has authored several books and has published extensively in reputable academic journals. He is also an editor in a number of journals.

APPENDICES

1. Correlation Analysis of Link between Customer-Firm Interaction and Post-Complaint Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Correlation Coefficient</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
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<tbody>
<tr>
<td>Complaining Accessibility</td>
<td>1.000</td>
<td>.</td>
<td>415</td>
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<tr>
<td>Post-complaint Satisfaction</td>
<td>.774**</td>
<td>1.000</td>
<td>415</td>
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**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output of Data Analysis on Complaint Handling and Post-complain Satisfaction (2016)

2. Correlation Analysis of Link between Customer-Firm Interaction and Post-Complaint Satisfaction

<table>
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<th>Correlation Coefficient</th>
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<tr>
<td>Customer-firm Interaction</td>
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<td>.</td>
<td>415</td>
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<tr>
<td>Post-complaint Satisfaction</td>
<td>.869**</td>
<td>1.000</td>
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**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output of Data Analysis on Complaint Handling and Post-complain Satisfaction (2016)

3. Correlation analysis of the between compensation policy and post-complaint satisfaction

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<th>Correlation Coefficient</th>
<th>Sig. (2-tailed)</th>
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<td>Compensation Policy</td>
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<td>415</td>
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<tr>
<td>Post-complaint Satisfaction</td>
<td>.721**</td>
<td>1.000</td>
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Source: SPSS Output of Data Analysis on Complaint Handling and Post-complain Satisfaction (2016)