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Complaint Management and Channel Choice

An Analysis of Customer Perceptions

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An Analysis of Customer Perceptions

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Abbreviations

ANOVA	Analysis of Variance
B2B	Business to Business
B2C	Business to Consumer
CCB	Customer Complaint Behaviour
CRP	Customer Referral Program
DJ	Distributive Justice
EFA	Exploratory Factor Analysis
IJ	Interactional Justice
KMO	Kaiser-Meyer-Olkin Measure
M	Mean Value
PA	Personal Attitudes
PJ	Procedural Justice
SD	Standard Deviation
SI	Social Interaction
SN	Social Networks

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Abstract

Most customers do not complain when dissatisfied after making a purchase. Being unaware of the great number of unvoiced complaints by unhappy customers, companies often experience loss in revenue, market share and eventually hitherto loyal customers. Companies are therefore well advised to motivate customers to express their complaints and to incorporate an effective complaint management as part of their corporate strategy. By following this advice, dissatisfied customers can be turned into satisfied ones to gain customer loyalty and prevent them from churning. However, a precondition for customers to address complaints to companies and subsequently be satisfied with the complaint handling is the availability of adequate complaint channels.

This research provides a detailed comparison of communication channels regarding their adequacy to voice complaints to companies from a customer perspective. In particular, a comparison of traditional complaint channels (mail, e-mail, phone, face-to-face) is provided. Moreover, it is analysed whether social networks might be utilised as a new complaint channel. Two empirical studies are conducted examining the adequacy of complaint channels. Based on the concepts of justice theory and personal attitudes, participants' perceptions on each complaint channel are measured as well as their need for social interaction in the context of complaining.

The results of both studies show that traditional complaint channels are perceived differently regarding their adequacy to voice a complaint. However, traditional complaint channels are seen as preferable when compared to social networks. Nevertheless, social networks work well as an additional complaint channel, especially with a view to younger customers.

Keywords Complaint channel · Complaint management · Customer complaint behaviour · Customer satisfaction · Social networks