

# Post Purchase Consumer Complaint Behavior: An Experience with Indian Hotel Industry

## **Abstract**

*Consumer complaint behavior is an emerging area of consumer behavior. As it is evident that, if complaints are handled properly the consumer becomes an advocate of the business. This research paper tries to identify whether there is a significant difference in consumer's post purchase response among three different categories of hotels (economy, service oriented, and luxury) with regard to the different dimensions of service evaluation. After the consumers post purchase dissatisfaction, they take any action or not has been also tried to identify for the three categories of hotels.*

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## **Introduction**

Our country is growing at a very rapid pace. The state of job opportunities, salaries etc. is improving rapidly. Simply put the county is changing every day for the better. 26% of the population lives in the cities or in urban India. The remaining 74% lives in the villages or in rural India. The population of the country is spread over the villages but is very concentrated in the cities. India has six of the largest cities in the world. These are; Kolkata, Mumbai, Delhi, Chennai, Bengaluru and Hyderabad.

The stretching middle class, double income, high disposable income, nuclear family concept, and changed lifestyle have pumped the service sector to grow in a rapid pace. The people movement also has contributed to this to a great extent. Hence, the hotel industry is growing at a significant rate.

In the cities, there are a lot of jobs available now-a-days due to call centers and BPO's. This has given many more people purchasing power. Items that were luxury items a few years ago are seen in every house in the cities. Analysis shows that over the years, the expenditure on non-food items has grown faster than the expenditure on food items. Yesterday's luxuries are now becoming today's necessities. The Indian consumer has more money and is now using it more liberally than ever before. Food and drink have acquired a greater "fun" image for him than ever before.

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With an increased cut throat competition, the consumer retention is playing an important role in any business, especially in service sector. Research results show that a satisfied consumer is a reason to generate few new businesses whereas; a dissatisfied consumer is a reason to lose many existing consumers. The response of consumers after their consumption is highly important for any business survival and growth. If the consumer is happy with the product/service provided it leads to positive word of mouth, repeat purchase, etc. but if the consumer is unhappy with the provided product/ service the consequences' may include negative word of mouth, complaint behavior, stop consumption, etc.

Consumer satisfaction/ dissatisfaction may be related to various levels of marketing system. Czepiel, Larry and Adebayo (1974) makes a distinction between three such levels: system, enterprise and product/ service satisfaction. When restricting ourselves to the last of these levels, consumer satisfaction/ dissatisfaction may be thought of as the "cognitive state of being adequately or inadequately rewarded in a buying situation for the sacrifice the buyer has undergone".

In the first place, complaint behavior is assumed to be triggered by feelings of dissatisfaction with a product or service. Secondly, Consumer complaint behavior responses are considered to be either behavioral or non-behavioral, behavioral responses being those actions a consumer takes to express some form of dissatisfaction. "Consumer complaint behavior, then, is conceptualized as a set of multiple (behavioral & non behavioral) responses, some or all of which triggered by perceive dissatisfaction with a purchase episode" (Singh, 1988).

As the consumers profile in the Indian market is not similar, consumers with different demography, geography, culture and social background, and behavioral aspect, they may behave in different manner during the post purchase evaluation. The most prominent post purchase dissatisfaction could be consumer complaint behavior.

This study is going to focus on the different types of consumers behaving differently on different dimensions of service provided to them.

## **Literature Review**

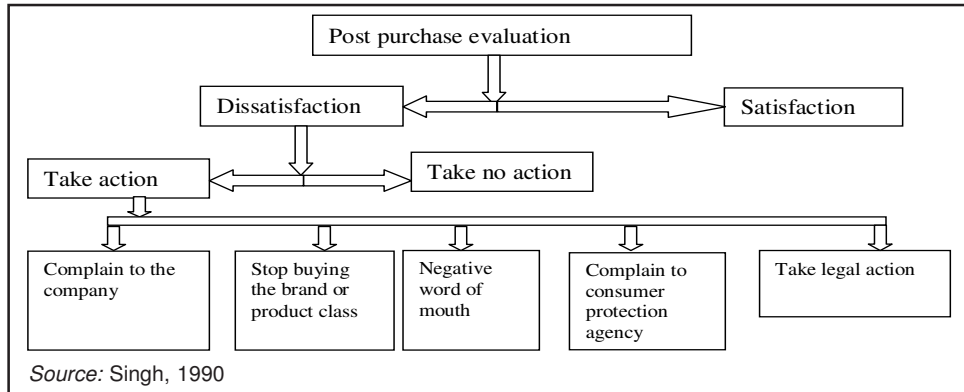
The satisfaction and dissatisfaction is linked with the expectation the consumer has before buying. If the expectation come lower than the provided service the consumer experience dissatisfaction.

Researchers argued that dissatisfaction serves as the motivation for complaint behavior (Day, 1984; Oliver, 1977). Since then, several researchers have followed in their way and argued that dissatisfaction is the main source of complaints.

Consumer complaint behavior is, therefore, one stage in the consumer's experience with a purchase of a product or service. The consumer complaint behavior stage begins when the consumer has evaluated a consumption experience and ends when he has completed all behavioral & non-behavioral responses to the experience (Day, 1980).

The consumer complaint behavior(CCB) stage begins when the consumer has evaluated a consumption experience and ends when he has completed all behavioral & non-behavioral responses to the experience (Day, 1980).

**Figure 1 : Typology Proposed**



The CCB stage begins when the consumer has evaluated a consumption experience and ends when he has completed all behavioral & non-behavioral responses to the experience (Day, 1980). People with time on their hands and highly educated, articulated people go for public actions (Stokes, 1974). Many studies on the characteristics of consumer complaints have examined only demographic information, although with consistent results (Liefeld, Edgecombe & Wolfe, 1975).

Studies on complaining behavior found two basic findings; one is that a majority of dissatisfied consumers do not voice their complaints; another is that who do complain exhibit distinct socio-economic and demographic characteristics (Robinson, 1978).

Liefeld, Edgecombe and Wolfe (1975), studied consumers who wrote letters of complaint to a government or consumer agency and found them to be younger and better educated, to have higher family incomes, from managerial/ professional households, and more likely to be married or divorced.

A well documented finding in the consumer complaint is that a majority of dissatisfied consumers do not voice their complaint to an organization (TARP, 1986).

## Research Design

The hotels in Hyderabad were segmented to three categories, namely luxury, service oriented and economy. The luxury hotels are high priced, high service oriented and with all modern amenities. This category of hotel targets to corporate executives, high flying business persons, upper-upper and middle-upper social class. Over all, people with high education, income and social class. The service oriented category of hotel targets to high service seeking upper-middle class and middle-middle class, people with high disposable income, office executives, business class people. They could be with high education but with little less income from the above category. The economy category consists of hotels targeting to people who are high price sensitive, pay for the core product/service, working class people with not high education.

203 responses received from 400 targeted respondents selected through incidental random sampling from 27 hotels from all three categories. A structured questionnaire having questions to evaluate the service evaluation on different dimensions was asked to fill by the consumers of respective hotels. The objective was to understand either the different consumers of three different categories of hotels evaluate the service dimensions differently or not. If there is a significant difference in post purchase behavior among the three categories of consumers, then, whether they do behave differently.

The semantic questions for evaluating the hotel on the following items were asked to the respondents to analyze the significance through t-test between three categories of hotel on each dimension. The dimensions are shown in the next page

|             |   |   |   |   |   |               |
|-------------|---|---|---|---|---|---------------|
| Good value  | 5 | 4 | 3 | 2 | 1 | Poor value    |
| Trustworthy | 5 | 4 | 3 | 2 | 1 | Untrustworthy |
| Courteous   | 5 | 4 | 3 | 2 | 1 | Rude          |
| Modern      | 5 | 4 | 3 | 2 | 1 | Traditional   |
| Refreshing  | 5 | 4 | 3 | 2 | 1 | Depressing    |
| Responsible | 5 | 4 | 3 | 2 | 1 | Irresponsible |
| Comfortable | 5 | 4 | 3 | 2 | 1 | Uncomfortable |
| Sincere     | 5 | 4 | 3 | 2 | 1 | Insincere     |
| Successful  | 5 | 4 | 3 | 2 | 1 | Unsuccessful  |

The test was done with the help of SPSS software. After getting the output the results were analyzed.

## Findings

Significant mean differences were found out among the three categories of hotel with regard to nine dimensions such as good value, trust worthiness, courteous behavior of employees, modernity, refreshing, responsiveness, comfortable stay, sincerity and successfulness.

With regard to good values, there were significant difference between economy and service category and service and luxury category. Incidentally the mean of the service category is lower than the economy and luxury category. This may be due to the fact that there is no clear cut standard about good values in the service category where better service in overall is the main consideration for the consumers. This could be an important reason for consumer complaints to arise.

**Table 1 : Correlation, correlation significance, t value, and t value significance**

| Pair variable | Correlation | Correlation Significance | t Value | t Value Significance |
|---------------|-------------|--------------------------|---------|----------------------|
| V1&V1S        | .18         | .14                      | -47.37  | .01                  |
| V1&V1L        | .01         | 1.00                     | -1.66   | .10                  |
| V1S&V1L       | -.26        | .06                      | 49.21   | .01                  |
| V2&V2S        | .01         | .77                      | -2.44   | .02                  |
| V2&V2L        | -.11        | .45                      | -.73    | .47                  |
| V2S&V2L       | .15         | .30                      | 1.66    | .10                  |
| V3&V3S        | .01         | .95                      | -1.68   | .10                  |
| V3&V3L        | -.09        | .55                      | -.40    | .69                  |
| V3S&V3L       | .03         | .83                      | 1.56    | .13                  |
| V4&V4S        | .08         | .53                      | -1.73   | .09                  |
| V4&V4L        | .12         | .41                      | -.75    | .46                  |
| V4S&V4L       | .03         | .82                      | 1.26    | .21                  |
| V5&V5S        | .02         | .86                      | -1.53   | .13                  |
| V5&V5L        | .06         | .69                      | -.61    | .21                  |
| V5S&V5L       | .05         | .73                      | .29     | .77                  |
| V6&V6S        | .01         | .96                      | -1.46   | .15                  |
| V6&V6L        | -.01        | .96                      | -1.22   | .23                  |
| V6S&V6L       | -.03        | .84                      | .90     | .37                  |
| V7&V7S        | -.02        | .86                      | -1.59   | .12                  |
| V7&V7L        | .01         | .99                      | -.41    | .68                  |
| V7S&V7L       | .03         | .82                      | 1.36    | .18                  |
| V8&V8S        | -.03        | .79                      | -2.05   | .04                  |
| V8&V8L        | .12         | .40                      | -1.34   | .19                  |
| V8S&V8L       | .03         | .83                      | .69     | .45                  |
| V9&V9S        | -.11        | .35                      | -.25    | .80                  |
| V9&V9L        | .04         | .81                      | 1.38    | .18                  |
| V9S&V9L       | .14         | .35                      | -.45    | .66                  |

**V1:** Evaluation of 'Good value' or 'Poor value' by respondents of economy category hotel. **V1S:** Evaluation of 'Good value' or 'Poor value' by respondents of service oriented category hotel. **V1L:** Evaluation of 'Good value' or 'Poor value' by respondents of luxury category hotel. **V2:** Evaluation of 'Trustworthy' or 'Untrustworthy' by respondents of economy category hotel. **V2S:** Evaluation of 'Trustworthy' or 'Untrustworthy' by respondents of service

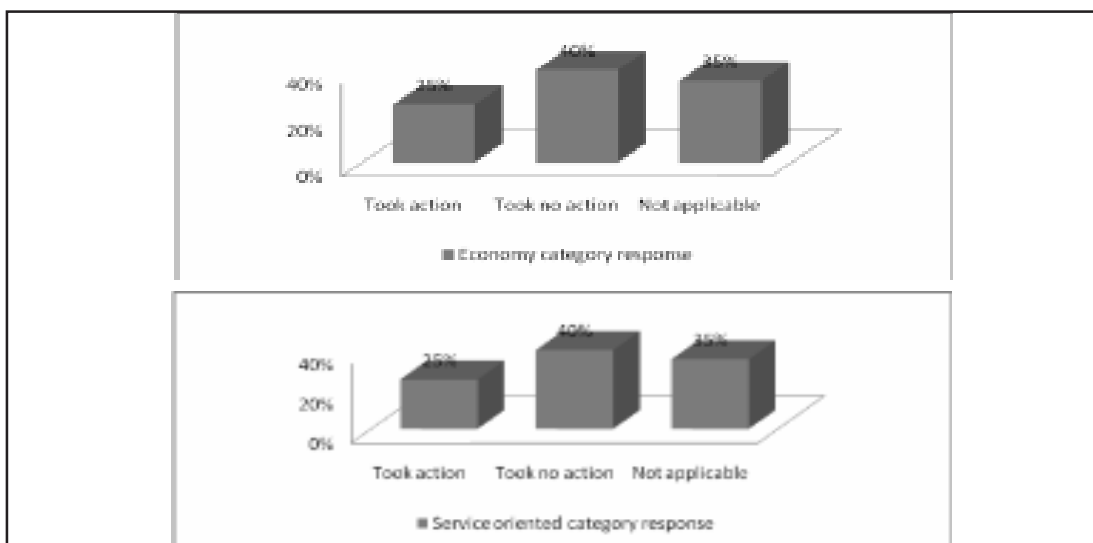
oriented category hotel. **V2L:** Evaluation of 'Trustworthy' or 'Untrustworthy' by respondents of luxury category hotel. **V3:** Evaluation of 'Courteous' or 'Rude' by respondents of economy category hotel. **V3S:** Evaluation of 'Courteous' or 'Rude' by respondents of service oriented category hotel. **V3L:** Evaluation of 'Courteous' or 'Rude' by respondents of luxury category hotel. **V4:** Evaluation of 'Modern' or 'Traditional' by respondents of economy category hotel. **V4S:** Evaluation of 'Modern' or 'Traditional' by respondents of service oriented category hotel. **V4L:** Evaluation of 'Modern' or 'Traditional' by respondents of luxury category hotel. **V5:** Evaluation of 'Refreshing' or 'Depressing' by respondents of economy category hotel. **V5S:** Evaluation of 'Refreshing' or 'Depressing' by respondents of service oriented category hotel. **V5L:** Evaluation of 'Refreshing' or 'Depressing' by respondents of luxury category hotel. **V6:** Evaluation of 'Responsible' or 'Irresponsible' by respondents of economy category hotel. **V6S:** Evaluation of 'Responsible' or 'Irresponsible' by respondents of service oriented category hotel. **V6L:** Evaluation of 'Responsible' or 'Irresponsible' by respondents of luxury category hotel. **V7:** Evaluation of 'Comfortable' or 'Uncomfortable' by respondents of economy category hotel. **V7S:** Evaluation of 'Comfortable' or 'Uncomfortable' by respondents of service oriented category hotel. **V7L:** Evaluation of 'Comfortable' or 'Uncomfortable' by respondents of luxury category hotel. **V8:** Evaluation of 'Sincere' or 'Insincere' by respondents of economy category hotel. **V8S:** Evaluation of 'Sincere' or 'Insincere' by respondents of service oriented category hotel. **V8L:** Evaluation of 'Sincere' or 'Insincere' by respondents of luxury category hotel. **V9:** Evaluation of 'Successful' or 'Unsuccessful' by respondents of economy category hotel. **V9S:** Evaluation of 'Successful' or 'Unsuccessful' by respondents of service oriented category hotel. **V9L:** Evaluation of 'Successful' or 'Unsuccessful' by respondents of luxury category hotel.

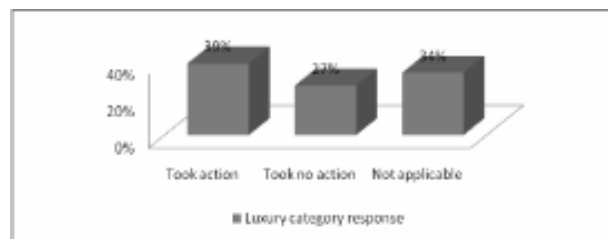
With regard to trustworthiness there is a significant difference between economy category and service category. There is no significant difference between economy and luxury category and also between service and luxury category. This implicates that the service category enjoys higher level of trustworthiness compared to economy and luxury category. This may be because of the price the consumer pays and the expectation for this aspect do not match in economy and luxury category.

For sincerity of employees there is a significant difference between economy and service category. There is no significant difference between economy and luxury and service and luxury category. In the service oriented hotel category sincerity of employees seems to be the highest. This may be because of the expectation of consumer always focuses on the employees behavior and sincerity of providing a particular service. Hence, the service oriented hotels should concentrate on the employees' behavior and sincerity to reduce consumer dissatisfaction which may lead to consumer complaint.

For the dimensions such as courtious, modernity, refreshing, responsiveness and comfortable stay, there is no significant difference among all the three categories (Economic, Service & Luxury) of hotels.

In economy and service oriented category, the majority of consumers take no action after their post purchase dissatisfaction. Whereas, in luxury category majority of consumers during their post purchase dissatisfaction taken some action. This action may include private and public actions.





Hence when the significance difference was found among five dimensions out of nine dimensions considered for the study the post purchase complaint behavior was not much different in economy and service category. Only the complaint action taken as a result of dissatisfaction was prominent in luxury category.

## Conclusions

Though from the past research, it is evident that consumers with high income and education, more reactive for complaints during their post purchase evaluation comparing with consumers having less education and income. Here the study results to different profiles of consumer behave more or less in similar manner for different dimensions of service evaluation and the inference can be made that, Indian consumers at a large have more tolerance and their cultural believes and traditional thinking. An average Indian consumer is noted for his patience and tolerance. Perhaps because of these two traditional traits and due to the influence of the Mohabharat, the Ramayana and the Bhagabad Gita, he considers the receipt of defective goods and services as an act of fate or unfavorable planetary position in his horoscope. Very often he is exploited, put to avoidable inconveniences and suffers financial loss. It is rather paradoxical that consumer is advertised as a “king” by the seller or service provider but in actual practice it is something else. These above could be reason for not taking any action during the post purchase dissatisfaction.

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