



A STUDY OF THE EFFECTS OF SELECTED FACTORS ON AIS CUSTOMERS'
PROPENSITY-TO-COMPLAIN IN BANGKOK

By
RAJIV JOSHI

A Thesis submitted in partial fulfillment
of the requirements for the degree of

Master of Business Administration

Graduate School of Business
Assumption University
Bangkok Thailand

November 2003

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Abstract

This research is about the customer complaining behavior (CCB). It has only been 3 decades that researchers have started investigating in this area of study. The research of this nature had been done extensively in US and UK, but very few researches were found done in the Asian context. The current research becomes important as it attempted to study complaint behavior in an Asian setting – Thailand. CCB always starts from customer dissatisfaction. According to Day and Landon's model of CCB, which is also the base model of this study, the customer has 2 basic options to do when they are dissatisfied. They are: either they complain or they don't complain. This gives rise to the concept of propensity-to-complain. Propensity-to-complain was measured in a continuum. Past studies conducted by various researchers have attempted to investigate how several factors, e.g. demography of customers; type of product/service; CCB factors, etc affect what option the customers choose after being dissatisfied.

The research problem can hence be stated as (1) what is the effect of customer characteristics on AIS customers' propensity-to-complain? (2) what is the effect of service significance on AIS customers' propensity-to-complain? (3) and what is the effect of customer complaining behavior on AIS customers' propensity-to-complain? Therefore, the research objectives encompass the following: (1) to study the difference in propensity-to-complain among different customer characteristics (2) to study the relationship between service significance and AIS customers' propensity-to-complain (3) to study the relationship between customer complaint behavior and AIS customers' propensity-to-complain.

The data required for the analysis for the current study was done by survey method, in which the researcher distributed self-administered questionnaire as a research instrument. The sample of 400 respondents, whose responses were all valid were encoded and analyzed by SPSS 11.5 program. Since the objective of this research is to find difference for some factors and relationship for other factors, the researcher used Kruskal-Wallis test for education level, income level and age at the 0.05 significance level under 2-tailed test. Similarly, for gender the researcher used Mann-Whitney U test at 0.05 significance level under 2-tailed test. For the rest of the factors the researcher used Spearman's Rank Order Correlation test at 0.05 significance level under 2-tailed test, because the objective of the research was to find out the relationship of these factors with propensity-to-complain. These factors are: importance of service, price of service, complexity of service, benefit from complaining, difficulty in seeking redress, complexity in process of complaining, awareness of specific redress schemes, cost of complaining and past experience. All the above mentioned tests are non-parametric, because the normality of the data obtained was unknown to the researcher.

It was found out that the result of the research is not consistent with previous researches and more importantly, in fact, whole process of CCB has never been proven. But still, the researcher found out that there is a relationship between service significance factors and propensity-to-complain of AIS customers, except the factor "importance of service", which was found out to be unassociated with the propensity-to-complain of AIS customers. Similarly, the results indicated that there is relationship between customer complaining behaviors and propensity-to-complain of AIS customers. The strength of the relationship for all the factors were however low in magnitude. For the test of difference part, the researcher found out that there is a difference in male and female AIS customers about propensity-to-complain. Similarly, for education level and age of AIS customers there is a difference

among groups. However, for income level it was found out that there is no difference among income level groups and propensity-to-complain of AIS customers.

Hundreds of papers on CCB are published every year, however, most studies on CCB have focused on only a part of CCB, such as the types, the determinants, and the results of CCB, reporting quite different results from different studies. Gronhaug's (1977) and Blodgett et al.'s (1992, 1993, 1995) studies are therefore devoted to integrating all these fragmentary studies and to provide theoretical fundamentals to give researchers a better understanding of all CCB processes. The researcher therefore realizes that the current study would serve as one such study done in the area of CCB.



Acknowledgement

I have gained much knowledge from conducting this research. In the beginning, because of the lack of knowledge in conducting research as a whole I had lost the interest in doing research. It was only because of the continuous effort of the people around me, namely, my advisor, parents, other family members and friends that the completion of this research study has taken place.

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CHAPTER I

Generalities of the Study

This chapter covers the introductory matters of the research. This research is about the customer complaining behavior (CCB) based in Advanced Info Service PLC (AIS), Thailand. Introductory matters include background, problem, objectives, scope, limitations and significance of the study, and definition of terms.

1.1 Background of the Study

Customer complaining behavior (CCB) is increasingly gaining importance in today's business world. CCB has been the topic of much academic researchers (Broadbridge & Marshall, 1995). CCB has attracted considerable attention in the marketing literature over the last 3 decades (Chelminski, 2002). In today's increasingly competitive environment, consumers are becoming more discriminating in their purchases and making complaint about poor after-sales service, product quality and value for money (Brownlie & Lemond, 1990). CCB has become a topic of increasing interest to consumer behaviorists (Goff & Gibb, 1992), and the level of perceived satisfaction and dissatisfaction in the marketplace is presumed to influence subsequent attitudes, intentions and complaint behavior (Bearden & Teel, 1983).

Research studies on CCB have always been done in the context of North America and Europe. Most studies on CCB were conducted in the United States during the 1970s and 1980s (Hunt, 1977; Hunt & Day, 1985). Gronhaug and Kvitastein (1991) estimated that about 800-900 studies in this area were published. However, research of this nature was given little emphasis in an Asian context. Considering the growing affluence in Asia and the

accompanied new emphasis on customer rights, it is becoming increasingly evident that greater attention must be paid to understand complaint behavior of Asian customers. The current research becomes important as this was conducted in Thailand.

CCB is considered a distinct process, which begins when the consumer has evaluated a consumption experience (resulting in dissatisfaction) and ends when the consumer has completed all behavioral and non-behavioral responses to the experience (public, private and no action) (Day, 1980). This is explained in detail in chapter II in Day and Landon's model of CCB and is also the base theoretical framework for the current study.

Customer dissatisfaction may be defined as the result of the discrepancy between expected and realized performance or dissatisfaction with an attribute (Schouten & Raaij, 1990). Additionally, complaining to a firm at fault gives consumers an opportunity to vent their frustration and reduce the dissonance caused by the dissatisfactory experience (Oliver, 1987; & Kowalski, 1996).

Past studies shows that there are myriads of factors, which influence the propensity-to-complain of customers, the discussion of which is provided, in detail, in Chapter II, but the researcher has been selective in choosing only the relevant factors to include in this research based on past researches. Irrelevant and unpractical factors have been avoided. However, the findings of those researches are not consistent with all the people, market and culture. Therefore the current study serves as a further study done to study the effects of those factors on propensity-to-complain of customers. The factors included in the current study can be divided into 3 groups:

- Customer Characteristics
- Service Significance
- Customer Complaining Behavior

The first group named “customer characteristics” includes various demographic factors, namely, age, income level, education level and gender. The second group named “service significance” has factors such as price, complexity and so on. And the third group has factors regarding “CCB” and is named the same.

As stated earlier, companies have been starting giving importance to consumer complaint handling only since more than 20 years ago. However, very few studies have tackled the issues regarding the factors affecting propensity-to-complain of customers. Therefore, the current study is expected to be a further expansion of knowledge in the marketing literature regarding propensity-to-complain of customers.

A key factor that influences consumers’ choice of retailers, and other service providers, is customer service. For example, many people choose to shop at certain stores, do their banking at a particular financial institution, stay at a specific hotel, eat at certain restaurants, or take their clothes to particular dry cleaner, and so on, based on the level of customer service provided by that establishment. To handle customer complaint is one of the critical factors in increasing the profitability of a company. The implication of this study is to take customer complaints as a feedback from dissatisfied customers so that the company can adjust and modify their products and services to fulfill customer needs and wants.

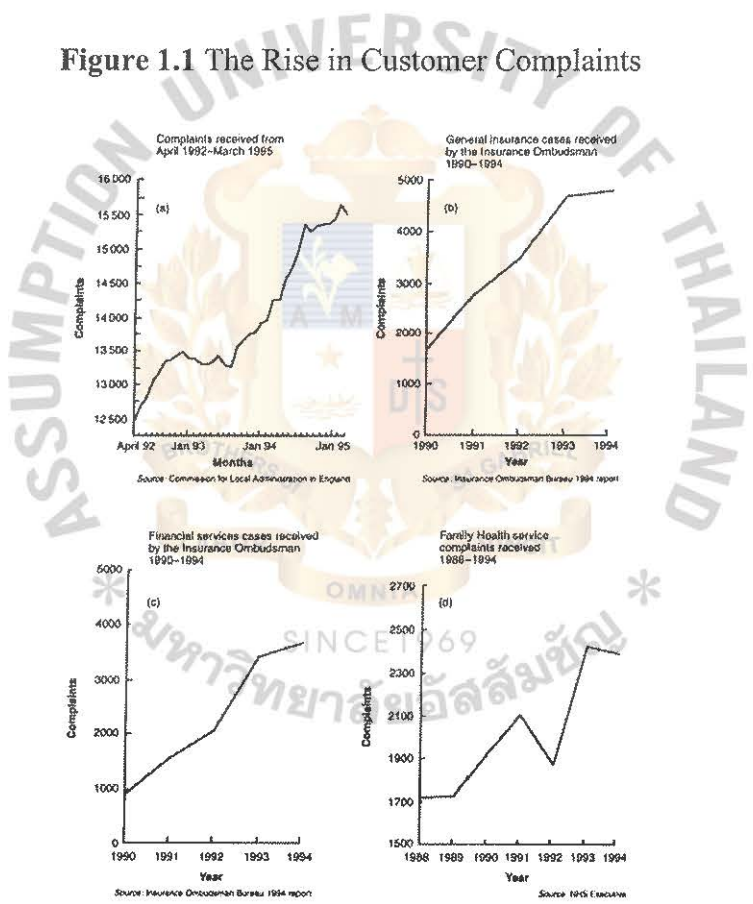
Studies have shown that 20% of all purchases result in consumer's dissatisfaction with something other than price (Andreasen & Best, 1977). Although making a complaint is one possible consumer reaction to dissatisfaction (Richins, 1983), less than half of dissatisfied customers register complaints (Andreasen & Best, 1977). Several reasons are cited for not complaining. Some feel it is not worth the time and effort. Others say that they do not know where or how to complain. Finally, some feel that the manufacturer or retailer will not do anything about the problem anyway. Japanese firms, e.g., Toyota, unlike American firms, encourage complaints. American firms treat complaints as problems and always try to reduce them (Williams, 1996).

In the case of durable goods the dissatisfaction may arise from not the product itself, but from the other aspects of the consumption process such as delays in delivery, a mistake in billing, an overstatement in an advertisement or difficulties in operating a product. Therefore, this indicates that product is not 100% responsible for consumer dissatisfaction and complaint behavior. This is one of the reason that why the scope of this research is in the service industry, i.e. AIS.

Williams (1996) explains that complaints may be increasingly big business in the UK but Britain lags well behind America. Trailblazers in the USA were Technical Assistance Research Programs Inc (TARP), a consultancy specializing in advising companies on how to handle complaints. In 1979 they produced a report for the White House on 'Consumer Complaint Handling in America'. This seminal study marked a massive growth of interest in the area. It is now impossible to keep up with the US literature as business school graduates are producing theses and dissertations on the subject faster than it is possible to read them.

Increased consumer protection, government initiatives, changing expectations on the part of the consumer – a number of factors has combined to lead to a marked growth in complaints. At the same time organizations are beginning to recognize the value of an effective complaint handling system. It is all too easy to regard complaints as a pain to be avoided or a nuisance to be got rid of as fast as possible. In fact, as Williams (1996) demonstrates, they can be a valuable source of information, of customer satisfaction and, ultimately, of improvements in both reputation and profitability.

Figure 1.1 The Rise in Customer Complaints



Source: Tom Williams, 1996, “Dealing with Customer Complaints”

Williams (1996) shows that the growth of complaining has taken an exponential growth during last 20 years. It is not only because people have become aware of their legal rights, but also because of the move to a service economy, where more emphasis is placed on

customer satisfaction issues. To summarize, here in figure 1.1 some graphs has been provided, which depicts the phenomenal growth in the complaint industry in UK during 90's. Consumers today are rightly demanding higher standards of service and they will create waves if these are not available. Businesses, which do not prepare for this, will find themselves swamped.

More specifically, the research was done in AIS. Since networking and mobile service is an emerging industry, AIS is still in the growth stage and it is looking forward to learn more about the industry. At this stage, the company is not fully able to satisfy customer needs and wants through service. This leads to dissatisfaction and finally complaint. This is one of the reasons that AIS was chosen as the subject of the study.

In the consumer behavior context, negative word-of-mouth communication involves interpersonal communication between consumers regarding some aspect of marketing, which denigrates the object of communication (Chelminski, 2002). This negative information may concern defective product, unsatisfactory service encounter, problems with distribution, pricing, or promotion and so on, thus covering the whole spectrum of the marketing mix. It is seen that the "culture of complaint" is well established and is not likely to go. People are more willing to complain and will continue to complain more readily in the future (Williams, 1996).

1.2 Statement of the Problem

In this thesis work, the researcher intends to find out the relationship between some selected factors and propensity-to-complain of AIS customers.

Little contribution is seen in this area of study both by researchers and organizations. It will take some time for organizations to realize that investing in this area is worthwhile, so that they will be successful in achieving their marketing and financial goals.

The research was conducted in Bangkok, Thailand. In the context of Thailand, the complaining behavior of customer is highly affected by its cultural values. The concept of “Kreng Jai” is the most important one for this research. “Kreng Jai” literally means “to be respectful to another person’s heart.” But “Kreng Jai” is out of the scope of the current study.

A customer who does not complain to the firm when dissatisfied is of special concern to management for several reasons. First, the company loses the opportunity to remedy the problem and retain a customer (Hirschman 1970). Second, the firm’s reputation can be damaged from negative word-of-mouth actions taken by dissatisfied customer (Richins, 1983), resulting in the loss of potential and current customers. Finally, the firm is deprived of valuable feedback about the quality of its product or service (Fornell & Wernerfelt, 1987), impeding its ability to identify quality variances and make improvements. Thus, insightful managers want to understand not only persons who voice their complaints but also those who do not. Yet, as Delande (1995) has observed, most research attention has been on complaining as a response to

dissatisfaction and a knowledge void exists with regard to noncomplaining. Therefore to conduct a research involving propensity-to-complain is crucial, which is also supported by Day and Landon's model of CCB, which is widely accepted in the marketing literature as customers' response to dissatisfaction.

Therefore the research question is "what is the effect of selected factors on AIS customers' propensity-to-complain. The specific research problem, thus, encompasses the following questions:

- (1) What is the effect of customer characteristics on AIS customers' propensity-to-complain?
- (2) What is the effect of service significance on AIS customers' propensity-to-complain?
- (3) What is the effect of customer complaining behavior on AIS customers' propensity-to-complain?

1.3 Research Objectives

The objective of this study is to see how some selected factors affect the propensity-to-complain of AIS customers. The factors are selected on the basis of past studies done. These factors are relevant ones in current business practices and have higher relationship with the propensity-to-complain of customers. In a point-wise way the objectives of this study are as below:

- (1) To study the difference in propensity-to-complain among different customer characteristics.
- (2) To study the relationship between service significance and AIS customers' propensity-to-complain.
- (3) To study the relationship between customer complaint behaviors and AIS customers' propensity-to-complain.

1.4 Scope of the Study

This research intended to find out how some selected factors affect the propensity-to-complain of customers of AIS. The scope of this research includes a random sample of all the AIS customers, male and female, residents of Bangkok Metropolitan City, age 18 and older.

The research was carried out during the period October-November 2003. The research was conducted by survey method using structured and self-administered questionnaires as a research instrument.

In fact, AIS provides various kinds of products and services. But the researcher was interested in the services related to mobile phones only. Therefore, obviously, the respondents of the questionnaires included only those customers who were then taking mobile phone services from AIS.

Not all the factors lie in the scope of our study. The researcher is selective in including only some of the factors into the study depending on the past studies and relevance in current business practices. For this study, the researcher has mainly focused on a few demographic factors, service significance factors and CCB factors, which have a considerable effect on propensity-to-complain of AIS customers.

1.5 Limitations of the Research

The researcher intended to study consumer complaint behavior (CCB) in the form of how some selected factors affects the propensity-to-complain of customers.

As in all studies there are limitations that should be addressed. The findings of this research only applies to AIS customers male and female, residents of Bangkok Metropolitan City, age 18 years and older. The results, in no circumstances, can be generalized to all the industries or people whatsoever. If any researcher is interested in this area of study, then further research is suggested. Also, the findings hold true only during the particular time period that the research is conducted, because it is expected that the customers' attitudes and behaviors change over time.

The study was based on knowledge and perception of customers of AIS. Therefore, prejudice of customers who responded to the questionnaires limited the findings of this research to be generalized to all the periods, people, culture, societies, profession, companies, industries, markets, nations, economies, and so on. Since this

is a social science study consistency of the results whatsoever could not be guaranteed.

The random sample was assumed to contain and be the representative of all the customers of AIS regardless of their location, age, gender, profession, cultural background, social class, and so on. The research could not be conducted by including customers from all the locations because of the constraints such as research budget, time, cost, feasibility, etc. To increase the generalizability of the findings, further research must be conducted including respondents from as much locations possible.

Despite various limitations, the information from findings can primarily be used in Bangkok Metropolitan City with some marginal modifications or similar further research.

1.6 Significance of the Study

The emphasis in this research is given on customer satisfaction issues, because customer complaining behavior (CCB) always arises from customer dissatisfaction. Customer satisfaction is vital for a company to prosper to reach its financial goal. On the other hand, it is necessary to build a system in a company for customer complaint processing and taking corrective action, because the complain from the customer is the only source or feedback for the management to know whether or not the company is going to its correct path. Because of this, CCB has become an emerging area of study since the last decades of the last century. Therefore whatever the results and findings came out from this study, it was a major

contribution to this emerging field. Not only new knowledge, information, understanding and relationships was added in this field, but also the existing knowledge was expanded and refined.

The focus is also on consumer complaining behavior. Despite the company ready to listen to customers for their complaints, they are reluctant to complain. And on the other hand, they complain a lot. Why? Because there are myriads of influencing factors involved. Not all the factors lay in the scope of the study. The researcher was quite selective in including only some of the factors into the study for the practical purposes and relevance. Since CCB is a reliable source for the company, the study of the factors concerned would guide the company how to influence or make changes in these factors to get best possible results.

The findings or results of this research will be useful to those people or company (both retailer and service provider), who views CCB as one of the most important area of study regarding profitability, improvement, competitive advantage, image, etc of the company.

The results of this research provided information about why customers tend to complain or remain silent when they were dissatisfied. Moreover, in highly competitive market of today's world this study provides a way to build the competitive advantage to the company and long lasting customer relationships. This study may serve as guidelines to the companies who believe that investing on CCB area of business is one of the potential ways for success in the industry.

Collectively the research findings might suggest that consumer feedback be used to develop complaint handling strategy (Goodman & Malech, 1986). Information collected from complaint encounters might be used to formulate strategy designed to minimize the negative effects of complaining and help curtail customer exit or brand switching (Fornell & Wernerfelt, 1987).



1.7 Definition of Terms

Age: Age of a consumer is defined as the time period between his date of birth and present time.

AIS Service: In this report, AIS service refers to all sorts of intangible services related to mobile phones rendered by AIS to its customers (subscribers of mobile phone line).

AIS: Throughout this research, the acronym AIS refers to Advanced Info Service PLC having its head office located in Bangkok, Thailand. AIS is a mobile phone service provider.

Awareness of Specific Redress Schemes: Awareness of Specific Redress Schemes refers to the awareness of a consumer on various redress schemes on complaining available in the company (Barnes & Kelloway, 1980).

Benefit from Complaining: Benefit from complaining is a function of the payoff from complaining minus the cost of complaining (Landon, 1977).

Complexity in Process of Complaining: Complexity means how complex is the process of complaining (Woodside, Seth & Bennett, 1977).

Complexity of Service: Complexity of service is defined as the degree to which a new service is difficult to comprehend and/or use (Day & Landon, 1977).

Consumer Complaining Behavior (CCB): CCB refers to customers' behavior regarding different aspects of complaining behavior (Day & Landon, 1977).

Cost of Complaining: Cost of complaining means the aggregate of time, effort and money invested by the customer to make a complaint.

Customer: Customer is defined as customer of AIS who purchases the services related to mobile phones in AIS in a regular basis. (In other places, the word “customer” and “consumer” have been used interchangeably according to the context).

Difficulty in Seeking Redress: How difficult it is to seek redress from the company.

Education Level: Education level is defined as the knowledge, skill and/or qualification one has obtained or developed in any given field by a learning process from formal institution or school or college.

Gender: Gender is defined as the sex group to which one belongs. This is a mere classification of one’s sex.

Importance of Service: Importance of service refers to the relative worth and individual places on a service (Bloch & Richins, 1983).

Income Level: Income level is defined as the amount of money or assets of monetary value that one earns or receives in exchange for his/her labor or services over time.

Kreng Jai: In Thai language, “Kreng Jai” literally means “to be respectful to another person’s heart.” “Kreng Jai” is often translated as “to be reluctant to bother someone” or “to

be considerate of someone else”. It also suggests caring for the feeling of others (The Nation Daily, August 2003).

Past Experience: Past experience refers to the experience of consumer regarding any complaining situation in the past (Singh & Wilkes, 1996).

Price of Service: Price of a service is defined as the monetary value of that service expressed in a particular currency.

Propensity-to-complain: Propensity-to-complain is defined as customers’ tendency to complain when they are dissatisfied.

Service Recovery: Service recovery refers to complaint handling process by the company when its customer is dissatisfied (Barlow & Moller, 1996).

CHAPTER II

Literature Review

This chapter starts with the issues related to customer complaining behavior (CCB). The discussion of past studies on the variables involved in this study will then follow. The base model for this study is Day and Landon's model of CCB, from which the researcher has derived the conceptual framework based on past researches done on the independent and dependent variables involved will then be presented. The researcher will also relate the theories and models necessary to develop the conceptual framework of this study. Davis and Cosenza (1993) defines theory as "an interrelated set of statements of relation whose purpose is to explain and predict and model in any highly formalized representation of a theoretical network, usually designed through the use of symbols or other such physical analogues." Apart from that, for the concrete theoretical support of this study, summaries of previous studies done in the area of CCB will be the last to be discussed in this chapter.

2.1 Customer Complaining Behavior

2.1.1 Complaint Defined

In simplest terms, a complaint is a statement about expectations that have not been met. It is also and perhaps more importantly, an opportunity for an organization to satisfy a dissatisfied customer by fixing a service or product breakdown (Barlow & Moller, 1996). Customers' complaints are not taken with open-mind and positive point of view by the organization on one hand whereas on the other hand customers simply do not complain. They just take their business elsewhere (Barlow & Moller, 1996).

Complaining has never had a positive meaning. It comes through the Latin verb *plangere*, and it originally meant to “hit,” metaphorically to “beat one’s breast.” Today it means the utterance of pain, displeasure, or annoyance. It also means an illness or ailment, and in legal terms, it is a formal charge or accusation. In English slang, it is to quibble, raise a fuss, yammer, squawk, bitch, bewail, moan and groan, bellyache, carp, nag, pick at, give someone a hard time, find fault, gripe, whine, and fret. Small wonder that no one likes to receive complaints. Yet this is the method by which customers are to tell the company how to run businesses and organizations (Barlow & Moller, 1996)!

Customer complaints have been found to be one of the primary means to communicate directly with customer. The following figure shows a dramatic increase in articles reflecting an explosion of interest in this topic:

Figure 2.1 Growth of Complaints



Source: A Complaint is a Gift, by Janelle Barlow and Claus Moller, 1996

Every major decision in business nowadays starts from customer. The concept of customer has also expanded. Customers, in a way, have reached top of the organizational hierarchy (Barlow & Moller, 1996).

2.1.2 Customer Complaining Behavior – An Overview

Customers frequently experience dissatisfaction. Employees, products, service strategies, and systems persistently get in the way of customer having a positive experience. One of the most direct and meaningful ways customers can express their dissatisfaction to companies is through what has been called a complaint. In fact, many companies set targets to reduce the number of complaints they receive (Barlow & Moller, 1996).

When customers feel dissatisfied with products and services, they have 2 options: they can say something or they can walk away. If they walk away, they give organizations virtually no opportunity to fix their dissatisfactions. Complaining customers are still talking with the organization, giving them an opportunity to return the customers to a state of satisfaction so they will be more likely to buy from the organization again (Barlow & Moller, 1996).

2.1.3 Psychological Aspect of CCB (Attribution, Reciprocity and Culture)

2.1.3.1 Complaint as a Negative Attribution

Complaints are, in psychological terms, a negative attribution. In layman's terms, attribution refers to blaming behavior. When something positive happens, people have a tendency to attribute it to themselves or to take credit for their own behavior. Most of us like to blame other individuals or systems when things do not work out. Employees do the same

thing. They either do not accept their mistake and they try to blame the customers or some employees being little bit open-minded blame the company policy.

Unfortunately, the strategy of blaming company policy does not work for customers because it does nothing to resolve the customer's problems. Nor does it stop customers from blaming the employees. The father of modern attribution theory Fritz Heider, notes that most of us attribute blame to individuals, rather than the circumstances surrounding product or service failure (Barlow & Moller, 1996). These blame attributions may be external (someone else is responsible), internal (consumer is responsible), or situational (no one was responsible) (Weiner, 1986). A major problem in the collection of customer problem data is a lack of differentiation between the reason for the complaint and the cause of the complaint. Customers usually discuss symptoms that are evident to them rather than the underlying cause (Goodman & Newman, 2003)

2.1.3.2 Complaints and the Reciprocity Principle

The reason why customers are likely to say positive things after a problem has been fixed for them is best explained by a psychological principle called reciprocity. Humans like to return favors (reciprocate) when something nice has been done for them. How this translates into consumer behavior is that even if someone has had a problem with a company, if the company does something nice for him, including something as simple as giving him a free hamburger, he will be more likely to give you more of the company's business and tell others what a great company you are. For example, director of Azteca, a 29-unit Mexican restaurant chain based in Seattle, no attempt is made to track the money they spend giving free products to solve customer relation problems. Director of Training, Frank Henderson, says, "It's irrelevant compared to the dollars saved in good will (Wenstein, 1993).

Additionally, complaining to a firm at fault gives consumers an opportunity to vent their frustration and reduce the dissonance caused by the dissatisfactory experience (Chelminski, 2002).

2.1.3.3 Cultural Dimensions and Complaining Behavior

Very few studies have tackled the issue in a cross-cultural context. Because complaining is a type of human behavior, it is a function of a person's culture, among other variables (Triandis, Malpass & Davidson, 1973) and the culture of a nation encompasses a set of rules that help predict behaviors of its members (Fine, 1995). It also has been well established that culture shapes consumer behavior (Maheswaran & Shavitt, 2000). However, none of the studies reported in the consumer behavior and cross-cultural psychology literature have measured the cultural orientation of respondents to examine the mechanism of the cultural influence on the complaining behavior (Chelminski, 2002).

Assertiveness and aggressiveness have been studied extensively in psychology. They are considered separate constructs, however, they are related (Alberti & Emmons, 1974). Assertive behavior is defined as that which enables people to act in their own best interests, to stand up for themselves, to express their true feelings, or to exercise their rights (Alberti & Emmons, 1974). Aggressive behavior involves use of threatening language, raised voice and other actions directed against individuals.

Bearden and Teel (1980) suggested that consumer self-confidence might be a predictor of consumer voicing. Self-confidence is a dimension of personality, which reflects an individual's perceived control over oneself and that of the environment. People lacking self-confidence may feel resigned and believe that events around them are beyond their

control. Thus, in the context of a dissatisfactory experience, less confident consumers may refrain from complaining because of their belief that nothing can be accomplished anyway (Bearden & Teel, 1980). Similarly, other authors argue that perceived self-confidence is based on personal history of successful goal-directed behavior (Tafarodi & Swann, 1996). From the attribution theory perspective more self-confident consumers may be more likely to voice because they are likely to make external rather than internal attributions of blame for product failures (Chelminski, 2002).

Research in cross-cultural psychology indicates that people in individualistic cultures tend to exhibit higher levels of self-confidence than in collectivist ones. Tafarodi & Swann (1996) have demonstrated that collective cultures exhibit lower levels of general self-confidence than individualist ones. Additionally, individualists have been shown to make internal attributions for success while blaming external factors for failure (Markus & Kitayama, 1991).

2.1.4 Word-of-Mouth Communication and Complaint Behavior

Word-of-mouth advertising can make or break a business or product; and every dissatisfied customer who leaves a business represents a potential threat in the marketplace. Complaints can work for or against the company in the following ways with respect to word-of-mouth:

- People are much more likely to believe a friendly recommendation than and advertiser's promotional statements.
- Effective complaint handling can be a powerful source of positive word-of-mouth.

- The more dissatisfied customers become, the more likely they are to use word-of-mouth to express their displeasure.

A General Electric study found that recommendations made by people customers know carry twice the weight as advertising statements (Zemke and Bell, 1990). Every bad word told and retold about a business becomes that much more difficult to overcome through marketing promotions. People are far more willing to listen to the advice of a good friend than they are to believe a multi-million dollar advertising campaign. Negative word-of-mouth can even affect an entire industry dramatically (Barlow & Moller, 1996).

In addition to this, consumers tend to put more weight on the negative information than on other marketing-related information when evaluating products. Thus, negative word-of-mouth can be quite damaging to organizations that are the target of the negative information, especially if the word-of-mouth becomes systematic (Chelminski, 2002).

There may not be much a company can do to stop negative word-of-mouth. But if companies make it easy for customers to complain, and handle these complaints, dissatisfaction levels will decrease, negative word-of-mouth will lessen, and positive word-of-mouth may be generated. It almost seems as if many customers simply want to tell someone about their problems, and if they do not tell the company then they will find another audience (Wilson, 1994).

The inability to effectively handle consumer complaints can possibly lead to discontinued patronage and to negative word-of-mouth. These word-of-mouth communications can either take the form of negative commentary about experiences, or the

possibly more damaging recommendation advising the avoidance of patronage of a particular retailer or service provider (Arndt, 1967; Day, Grabicke, Schaetzle & Staubach, 1981; Richins, 1983; Samli, 1970; Swan & Oliver, 1989).

Negative word-of-mouth is also used by consumers to reduce anxiety, seek advice, or simply as retaliation against the company associated with a negative consumption experience (Chelminski, 2002).

Goodman & Newman (2003) says that problem experience, especially in the case of those consumers who remain unsatisfied after complaining, results in substantial amount of negative word-of-mouth. Consumers typically tell others about their positive and negative experiences with a product or service. Positive communication can effectively serve to increase market share and revenue because those who hear it try the product or service. Conversely, negative word-of-mouth can result in market damage and revenue loss. Additionally, dissatisfied complainants generate twice the negative word-of-mouth as do satisfied complainants generate positive word-of-mouth.

Some word-of-mouth research conducted by TARP showed the following (Goodman & Newman, 2003):

- Satisfied Coca-Cola complainants told an average of 4 to 5 people about their positive experience, while dissatisfied complainants told an average of 9 to 10 people about their negative experience.
- Consumers who experience a problem and do not articulate it to the provider tell twice as many people as satisfied consumers who do not experience a problem.

- A Harvard study found that negative word-of-mouth had twice the market damage as complaints positive word-of-mouth had a positive impact.

To control negative word-of-mouth, companies must ensure that small- and middle-level problems do not blow up into big customer dissatisfactions. The best way to do this is by encouraging and then effectively handling them (Barlow & Moller, 1996).

2.1.5 Levels of Complaints

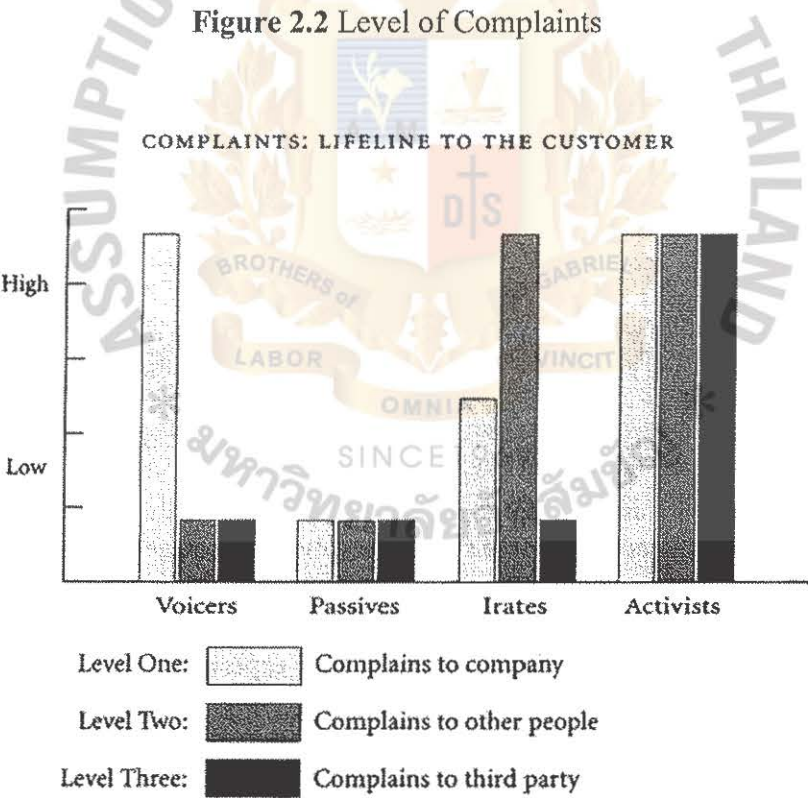
One of the most complete research studies on dissatisfied customer complaining behavior was conducted at Case Western Reserve University (Singh, 1990). Thousands of households were contacted to determine if they had had a dissatisfying experience in one of four areas: grocery shopping, automotive repair, medical care or banking services. Of the hundreds of households interviewed in depth, approximately 30% recalled a dissatisfying experience and were eager to talk about it. The researchers wanted to know what these people did about their bad experiences and divided their responses into 3 categories or “levels of reaction.”

Level 1: The customers spoke up and told the salesperson, retailer or provider directly about their bad experience (complain to company).

Level 2: The customers told people that they knew other than the company about their bad experience, and furthermore, they stopped buying from the company in question (complain to other people).

Level 3: The customers went to a third party such as a lawyer to initiate legal action, or a newspaper to tell of their experience in a letter to the editor, or they issued a formal complaint to an agency such as the Better Business Bureau (complain to third party).

This finding is analogous to the Day and Landon's model of CCB, the details of which is discussed later in this chapter, and is the base model of this research. The interviewed subjects fell into 4 clusters and were identified as Voicers 37%, Passives 14%, Irates 21% and Activists 28% (Barlow & Moller, 1996).



Source: Janelle Barlow & Claus Moller, 1996, "A Complaint is a Gift"

Voicers

The most desirable of dissatisfied customers, from our point of view, are the voicers, who tell the organization when they have bad experiences. The voicers will let the company know when something does not please them, and they generally do not go out and tell a bunch of other people about bad service or products.

Voicers are actively interested in getting redress for their situation. If the company does not handle them well, it is possible they will become Activists.

Passives

A company can provide bad service or products to this group of non-complainers, and they will keep coming back, at least for a while. They will not tarnish the company's reputation by telling anyone else. Most importantly, they will not complain to the company either (Barlow & Moller, 1996).

Unfortunately, such a group is also not helping the company with positive word-of-mouth advertising. Maybe they are the three-strikes-and-you-are-out kind of people or perhaps they are the slow burners. These kinds of people when heated can do a major damage to the company. Perhaps they grew up in a culture where complaining is looked down on, such as in Japan where the virtue of *gamen* (accepting whatever fate throws in your path without complaint) is highly prized. And this is somewhat true in the case of Thai customers as well. For Thai customers the driving force is called *Kreng Jai*. Unfortunately companies will not know much about these shoppers because they tend not to complain (Barlow & Moller, 1996).

Irates

The irates are the most lethal of the 4 groups. In many cases, they will not say a word to the service provider or company. But they will tell lots of people about bad service and will stop buying. The company will lose the opportunity to regain these customers' loyalty because they never come back (Barlow & Moller, 1996).

Some industries generate more irates than others. Retail stores that sell relatively inexpensive items will rarely hear complaints directly. It is not worth the trouble to complain about a one- or two-dollar item. The TARP report quoted earlier found that 55% of travelers who have problems with airlines, hotels, or rental-car companies endure in silence. Jean Otte, former Vice President of Quality Management at National Car Rental, explains it this way: "Many feel that complaining won't do any good, and the rest are too damn busy or don't want to be humiliated." (Kobliner, 1992)

Activists

These people are out for more than redress, though that is undoubtedly part of their motivation. They may be seeking revenge while spreading the word of the company's bad service to everyone and never again patronizing the company. In some cases, their ego is involved, so that the things may go wrong to a great extent (Barlow & Moller, 1996).

If an industry allows complaints to go unanswered until large numbers of people become activists, then government agencies may step in and take charge. The life insurance industry in Great Britain faces this situation. Customer complaints about insurance rose by 41% in 1992 alone, and the British government is responding. Fines have been imposed for selling incorrect policies and using misleading advertising. Furthermore, banks have been

allowed to move into the expanding marketplace of lifetime financial investments, having a direct impact on the insurance industry's market share (The Economist, 1993).

There are, in fact, so many cases in the market regarding activism against the companies. One of the cases has been provided for the readers of this study, in the appendix under the heading "An Activist is Born."

2.1.6 Reasons for Not Complaining

Consider a few examples, which illustrate why most of the customers do not complain.

A customer drives into a fast food place, orders a cheeseburger, and after driving some distance away discovers there is no cheese. Will this customer drives back to complain?

A traveler makes a hotel reservation for a room with a king-size bed arrives there after flying all day to discover there are two double beds in the room. Will this person goes all the way back to the front desk to insist on a king-size bed?

A shopper asks where the restrooms are in a store and is told they are on the fifth floor. They are on third floor. Will the customer finds the store manager and complains?

A person orders some materials from a mail-order house and is told they will arrive in 5 working days. He receives the items after 10 working days. Will this person contacts the company to complain?

If customers buy expensive products, they will undoubtedly complain because money they recover is worth the hassle they go through to complain. They may not buy again, but they will try to protect their original investment. If the products or services were inexpensive, however, then customers must weigh that factor against the trouble and expense of attempting to recover their costs.

Here are some reasons people have told Barlow & Moller (1996) why they do not complain:

- I didn't want to spoil the mood of the party. I wasn't the host, so I didn't want to make a fuss. I was polite at the dinner table but grumbled in the washroom.
- It wasn't worthwhile. No one would listen to me anyway.
- It wasn't that bad.
- They might have questioned my complaint, and I would need to defend myself.
- It would have cost more to complain. I would have had to call long distance.
- Other people might have got involved – maybe the headwaiter would have come over; it would have been a big deal.
- I didn't know to whom I could complain.
- They would have been rude to me; they would have treated me like a criminal.
- I would have had to wait a long time for a reply.
- The complaints department was closed over the lunch hour.
- I needed all my original documents, and I'm not sure where they are. I threw away the receipt.
- The person I wanted to complain about might have lost her job.
- I wasn't sure how to talk about this situation. It was too personal.

- I was partially responsible.
- I would have to go up to the third floor to the complaints department. I didn't have time.
- I had a problem last week; they would think I am picky or a whiner!
- The last time I complained, nothing happened.
- I'd rather just leave, never come back, and not say anything. It's easier that way.

2.1.7 Looking at Complaints From the Customer's Point of View

When people are customers, it seems they have a certain point of view, but when they represent a product or service, they appear to have another. Customers tend to be blamed by business representatives for product and service failures, while the company tends to get blamed by customers. Without acknowledging the inherent point of view customers bring to product and service failures, most companies will seriously underestimate the legitimacy of their complaints. They will have difficulty linking complaining behaviors to service recovery and continuous quality improvement (Barlow & Moller, 1996).

Presented with a set of complaint letters, a group of managers and a group of customers were asked whether they thought the complaints were legitimate. Over half the managers saw the complaints as illegitimate, while over half the customers supported the letter writers as having reasonable complaints. The managers concluded that the customers clearly wanted something for nothing, or they were confused, or they were simply dead wrong (Resnik & Harnom, 1983).

One of the authors complained to a hotel employee that a light directly above the screen she was using washed out the precision of her overhead slides. The employee replied

evenly, “It can’t be. No one has ever complained about this in the past.” Businesses must understand that just because nobody has said anything in the past does not mean that customers do not have real complaints. An essential goal of training for complaint handlers must be to get them to understand how very infrequently customers will say anything.



2.2 Variables Previously Studied

2.2.1 Demographic Variables

Research in consumer complaint behavior has examined the relationships between an individual's propensity-to-complain, demographic variables, situational variables and so on. In general, researchers have been only partially successful in relating demographic factors to consumer complaining behavior (Gronhaug & Zaltman, 1981).

Past studies have consistently shown that voice complaining can be explained by individual consumer characteristics such as demographics, personality factors, attitudes toward complaining, or attitudes toward business in general. Demographically, complainers generally tend to be younger, earning higher incomes, and are better educated than non-complainers (Singh, 1990). However, it is not clear whether demographic variables explain any unique variance over the other variables mentioned above (Gronhaug & Zaltman, 1981). Tom Williams (1996) asserts that demographic change, too, suggests that the complaint culture is not about to go away. Older people are more likely than others to complain – especially retired people who have the time to do so.

An attempt was made to examine whether any demographic differences were apparent between complainers and non-complainers as others profiled complainers to be young with higher than average income and education (Wallendorf & Anderson, 1987). The results of this survey could not determine a profile of complainers. Of the non-complainers 70%, however, were found to be women, and of complainers, men were more likely to exercise the public complaint action. Dissatisfied consumers were found across all age groups, although those between the ages of 25 and 34 were more likely to take some form of public action, while those over the age of 55 were more likely to involve a third party to resolve their

complaints. Marital status, household size and social class were not found by this research to be discriminant factors in CCB.

Research by Warland et al. (1975) and Day and Landon (1977) confirmed that those who publicly complained were younger in age and had better education and higher income. In a study completed by Bearden and Mason (1984), the results supported the hypothesis that consumer complaint behavior is inversely related to age and positively linked to income and education. However, variables such as race, employment status and family type did not prove to be significant in affecting such complaint behavior.

The study on electrical goods did not find the demographic profile of complainers to non-complainers to yield any results relevant to the concept of CCB (Broadbridge & Marshall, 1995).

Bearden and Teel (1983) hypothesized that the degree of intensity of dissatisfaction would directly affect the probability of a consumer resorting to complaint behavior. However, other research studies (Day, 1984; Singh & Howell, 1985) have shown that other factors such as consumer characteristics, perception of attribution of dissatisfaction, costs of products and types of products also contributed to such behavior.

Consumer complainers have been typified as being young with a higher than average income and education (Warland & Herrmann, 1975; Wallendorf & Anderson, 1987). Some authors, however, dispute this and have suggested that the “elderly, poor and individuals low in education do not necessarily react more passively to perceived dissatisfaction” (Monroe, 1981). Nevertheless, in general, findings have been fairly consistent with regard to age,

income, education and profession as plausible determinants of consumers' propensity-to-complain. Other variables have mixed results and held less, if any, discriminatory power. For the few general studies that considered marital status, it bore no relation to satisfaction (Mason & Himes, 1973; Day, 1977). By contrast, a set of product-specific studies (durables and services/tangibles respectively) found that marital status and other situational characteristics (home ownership, employment status) were more likely to be related to satisfaction than personal characteristics, such as education and sex (Wilkie, 1979).

Early research on CCBs focused on exploring the determinants of who complains and who does not (Mason & Hiems, 1973; Warland et al, 1975; Best & Andreasen, 1977; Pfaff & Blivice, 1977; Andreasen, 1988 and Singh, 1990). Most research on the typologies of consumer responses starts with Hirschman's seminal work in 1970, in which he outlined exit, voice and loyalty as the 3 response options open to consumers experiencing dissatisfaction. Others built upon this work, adding the concepts of public versus private action and voicing to sellers versus voicing to third parties (Best & Andreasen, 1977; Richins 1987; Singh, 1990; Kolodinsky 1995; Lee & Soberon-Ferrer, 1996). More specifically, consumers who complain to third parties tend to be younger, better educated, better informed, more politically active, and have higher incomes (Warland et al, 1975; Best & Andreasen, 1977; Duhaime & Ash, 1979; Singh, 1989). Interestingly, consumers who complain seem to have higher levels of satisfaction with the products or services they deal with (Nyer, 2000). Tipper (1997) focused exclusively on third party complaints and found that the education, income, gender, knowledge of consumer rights, and attitudes toward business were associated with using third parties.

In a large-scale study of mentally healthy women ages 25 to 66, Thomas (1993) found that the oldest women (ages 55 and older) were less likely to express their anger than younger women. She noted that the youngest women in her study (ages 34 and younger) were socialized during a time when feminists were speaking out, providing these young women with role models unavailable to the oldest women. The work of Thomas (1993) implies, then, that the willingness of older women to express their dissatisfaction is an effect of a cohort instead of the aging process. Future generations of older women may not be reticent about complaining.

2.2.2 Service Significance and CCB Variables

The development of CCB theory proposed that complaint behavior is a function of relationships between dissatisfaction, importance of product, benefit from complaining and personality (Day, 1977).

In a study conducted on CCB on electrical goods by Broadbridge and Marshall (1995) they found that the majority of respondents (92%) believe electrical goods were essential rather than luxury items, indicating the significance of the product in the functioning of the household. Confirming other research (Day, Grabiske, Schaetzle & Staubach, 1981), smaller electrical appliances were found to generate the fewest complaints and were dependent on the relative cost in terms of time, effort and money against the benefits of complaining. Clearly, for the case of electrical goods, episode-specific factors (nature of product; cost/benefits of complaining; price; importance of product and time required for consumption) were shown to bear a great influence on whether a dissatisfied consumer sought redress, complained (publicly and /or privately) or did nothing.

On experiencing dissatisfaction, consumers can respond in a variety of ways. Depending on the perceived likelihood of success, one's attitude toward complaining, and the level of importance attached to the product or service, dissatisfied customers choose whether or not to seek redress.

Significantly more (70%) purchasers of high priced telecom equipment articulated their problems than did purchasers of low or moderately priced equipment. Still, 30% of those with inoperable equipment never complained but simply discarded the \$100 item. It is generally accepted in CCB theory that high priced, complex items with a relatively long life expectancy generate a higher incidence of public complaint episodes (Woodside, Seth & Bennet, 1977).

Consumer voicing can also be explained by situational and product related factors such as the severity of the problem encountered by the consumer (Richins, 1987), the responsiveness of the business at fault (Richins, 1983), the perceived cost of complaining for the consumer (Bolfing, 1989), product price and involvement (Richins 1983; Bearden & Oliver, 1985), and earlier consumer experience with complaining (Singh & Wilkes, 1996). Additionally, the way consumers attribute blame for the failure can be a predictor of the voicing behavior. Namely, external attribution of blame is more likely to result in voicing than internal attribution (Folkes, 1984).

The literature on CCB indicates the complexity of the process by which a consumer will decide what he/she will do after experiencing dissatisfaction. Many factors such as the influence of marketers; consumer related factors; circumstantial or environmental factors may

impinge on the CCB process undertaken by dissatisfied consumers (Woodside, Seth & Bennet, 1977).

Day and Landon (1977) hypothesize that complex and expensive products, such as durable goods, encourage more action to be taken “publicly” but that the chances that the consumer will take only private actions are lower but still appear to be substantial. This issue is supported by Andreassen (1977) who notes that the high cost of a purchase may be causal to the voicing of complaints.

Whereas subjective norm impacts intention to complain for non-complex services, it does not for complex services. Whereas experience does not matter for simple services with regard to structural paths, experience does matter for more complex services. Intention to complain is influenced directly by attitude toward complaining and indirectly by expected satisfaction from complaining. In all cases previous experience from complaining was positively correlated with expected satisfaction from complaining and attitude toward complaining. Low involvement customer, and low experienced users take a more peripheral route when making decisions whether to complain or not.

However, these explanations are less likely to be resounded in the case of inactivity for durable goods where 29.4% expressed the no-action option (Day, 1980). The most frequent explanation for not taking any complaining action (for all products / services) has been “I didn’t think it was worth the time and effort” (Day, Grabicke, Schaetzle & Staubach, 1981). This would suggest that a comparison of the costs of taking action with the benefits of a successful action has resulted in the consumer concluding that costs exceeded benefits.

Eight percent of the respondents were found to take no action, which confirms other assertions (Day & Landon, 1977). Reasons for this were the results of the costs in terms of time, effort and money exceeding the benefits of taking any complaint action. This conceptualization is not unlike that proposed by Day (1984), who suggested that dissatisfaction serves as the motivation to consider complaint behavior, but the ultimate complain / don't complain decision is based on a comparison of costs and benefits that are affected by situational and personal factors.

Research by TARP across both manufacturing and service industries shows consumers don't complain because of the following:

- It isn't worth the time and trouble (cost and benefit from complaining)
- They don't know how or where to complain (awareness of redress schemes and accessibility)
- They don't believe the company will do anything (past experience)

Singh (1989) found that consumers' use of third parties in complaint resolution was a function of their attitudes toward the product as well as their attitudes toward complaining, prior experience with third party actions, the perceived probability of success, and the perceived costs and benefits of seeking resolution. Tipper (1997) focused exclusively on third party complaints and found that the education, income, gender, knowledge of consumer rights, and attitudes toward business were associated with using third parties. The only

significant factor associated with complaining to a federal agency was having a negative attitude toward business.

From a cost-benefit framework, it is likely that prior efforts also may influence consumers' satisfaction with complaint resolution. One model of complaint behavior views complaints as a function of "consumer dissatisfaction, the importance associated with the level of dissatisfaction, the expected benefit from complaining, and the personality of the individual" (Landon, 1977). From this model Lapidus and Pinkerton (1995) had focused on the benefits from complaining or outcome in their study. According to Landon (1977), the benefit from complaining is a function of the payoff from complaining minus the cost of complaining. Payoff from complaining is a function of the importance and nature of the defect. The expected value of the payoff from complaining is related to the importance of the dissatisfaction. The case of monetary restitution is self-explanatory, but if dissatisfaction becomes important because time, ego involvement, or physical harm, then one will perceive a large payoff from complaining, even when related to inexpensive items (Chelminski, 2002).

As might be expected (owing to higher item costs), more attempts to seek redress were noted in studies of durable goods (Day & Ash, 1979) and services (Day & Bodur, 1978) than for non-durable items (Diener, 1975). Surprisingly few studies, however, have endeavored to document the process of complaining and obtaining redress (Andreasen & Best, 1977; Grainer, McEvoy & King, 1979).

It would appear that the use of the third parties such as solicitors is dependent on the type of problem and product/service as well as the consumer's awareness of specific redress schemes – which has been found to be low (Barnes & Kelloway, 1980; OFT, 1991).

However, good complaint handling by the seller helps to reduce the number of complainants who take their grievance to court (Mitchell & Critchlow, 1993).

Other studies have sought to understand situational factors and product-related factors that might play a role in consumers' decisions to voice (or not to voice) dissatisfaction to the firm. Representative work in this area has examined issues such as the role of provider of responsiveness (Bolfing, 1989; Brown & Beltramini, 1989; Gilly & Gelb, 1982; Jacoby & Jaccard, 1981; Richins, 1983), the cost of complaining (Bolfing, 1989; Day, 1984), the price and importance of the good to the consumer (Bearden & Oliver, 1985; Bolfing, 1989; Day, 1984; Gilly & Gelb, 1982; Jacoby & Jaccard, 1981), consumer experience (Day, 1984; Jacoby & Jaccard, 1981; Moyer, 1984; Singh, 1990), social climate (Jacoby & Jaccard, 1981), and attribution of blame (Folkes, 1984; Folkes, Kolesky & Graham, 1987; Krishnan & Valle, 1979; Richins, 1983).

People who enter a complaint situation knowing how fellow customers have been treated in similar circumstances are likely to expect similar treatment. Therefore, the customer might assess the fairness of compensation differently on the basis of his or her (1) prior experience with the firm in question and other firms, (2) awareness of other customers' resolutions, and (3) perceptions of his or her own loss (Tax, Brown & Chandrashekar, 1998). For customers whose experiences have been very positive, one poor recovery should have no effect on commitment or trust (Tax, Brown & Chandrashekar, 1998).

Cost of complaining is a function of the firm's image, complaining experience, and the nature of the defect (Landon, 1977). If a firm has an image of quality and a reputation for making amends, then a consumer is more likely to complain when dissatisfied. Those with

complaining experience tend to complain more effectively; thus their cost of complaining is lower.

2.2.3 Other Variables

Despite the potential importance of the consumer complaint behavior in the context of leisure services, it has received relatively little attention. When a minor dissatisfaction is experienced, consumer responses often are minimal. When the dissatisfaction is serious, consumers tend to complain, regardless of other factors in the situation. If complaints are encouraged, the agency has the chance to remedy legitimate complaints and win back a customer who may also make positive reports to others, enhancing goodwill (Veldkemp & Backman, 1995).

In a study of grocery shoppers, 70% of respondents indicated that they did not complain at all (Gronhaug, 1977) and in a study of the personal care industry, 45% expressed the no action option (Diener & Greyser, 1978). These high figures of non-action have been attributed to factors such as the low cost of the items, minor importance of the problem and ease of switching brands (Barnes & Kelloway, 1980).

Past studies have examined individual characteristics such as demographics (Bearden and Oliver 1985; Bolting 1989; Jacoby & Jaccard 1981; Moyer 1984; Singh 1990; Warland et al. 1975; Zaltman et al. 1978), personal values (Rogers and Williams 1990), personality factors (Bolting 1989; Fornell & Westbrook 1979), attitudes toward complaining (Bearden & Oliver 1985; Day 1984; Jacoby & Jaccard 1981; Singh 1990; Sorensen & Strahle 1990; Zaltman et al. 1978), and attitudes toward business and government (Jacoby & Jaccard 1981; Moyer 1984) that many influence complaining propensity.

2.2.4 Propensity-to-Complain

Vast majority of consumer complaint behavior is non-instrumental; that is, often businesses may be unaware of consumer complaint actions because few consumers actually complain directly to the manufacturer or service provider (Day, Grabiske, Schaetzle, & Stauchbach, 1981). For instance, a US government study reports that as many as 70% of consumers who had experienced problems with products or services did not complain to the company at fault (TARP, 1986). Bolting (1989) shows that only about 20 and 44% of consumers dissatisfied with a product or service, accordingly, voiced their complaints directly to business. Nevertheless, these dissatisfied consumers frequently share their negative experiences with other parties, and it has been shown that such actions may have a serious impact on sales performance and profitability (Day et al, 1981).

One of the most striking set of results from CCB research is the number of consumers who, despite experiencing extreme dissatisfaction with a product or service, actually do nothing about it (Day, Grabiske, Schaetzle & Staubach, 1981; Richens & Verbage, 1985). In a study of grocery shoppers, 70% of respondents indicated that they did not complain at all (Gronhaug, 1977) and in a study of the personal care industry, 45% expressed the no action option (Diener & Greyser, 1978).

Unfortunately for many firms, research examining consumer dissatisfaction has found that up to two-thirds of consumers do not report their dissatisfaction (Andreason, 1984 & 1985; Day & Ash, 1979; Day & Bodur, 1978; Day & Landon, 1976 & 1977; Krishnan & Valle, 1979; Richins, 1983; TARP, 1979; Warland, Herrmann, & Willits, 1975; Zaltman, Srivastava, & Deshpande, 1978).

Research by Technical Assistance Research Program (TARP) indicates most customers do not complain when they encounter a problem. In one case that could have resulted in an average loss of \$142 to the customer, TARP found about 31% of individuals who encountered the problem did not complain.

In a survey of 600 business software customers conducted by TARP, results indicated 37% of the companies that encountered problems did not complain to anyone, even to the software support center. In several business to business studies, and average score of 25% of business customers made no contact with the vendor (Goodman & Newman, 2003).

Finally, a 2001 TARP survey of purchasing agents for companies using electronic broadcast equipment found more than 50% who had encountered problems took immediate punitive action against a company without complaining to either the salesperson or sales manager. Companies indicated it was easier to switch vendors than complain. Original research executed by TARP projectable to US population shows the following for consumers who experienced a problem with a potential financial loss of less than \$5. 37% of those who did not articulate the problem stated they would continue to buy the product. 46% of those who did complain but were not satisfied by the company remained brand loyal (Goodman & Newman, 2003).

2.3 Cultural Aspect of CCB (Individualism and Collectivism)

Consumer complaint behavior has attracted considerable attention in the marketing literature over the last 3 decades (e.g., Day & Landon, 1977; Jacoby & Jaccard, 1981; Richins, 1981; Bearden & Oliver, 1985; Singh, 1988; Tax, et al, 1998). However, very few

studies have tackled the issue in a cross-cultural context. Because complaining is a type of human behavior, it is a function of a person's culture, among other variables (Triandis, Malpass & Davidson, 1973) and the culture of a nation encompasses a set of rules that help predict behaviors of its members (Fine, 1995). It has also been well established that culture shapes consumer behavior (Maheswaran & Shavitt, 2000). Indeed, some authors have suggested that consumer complaining behavior may be culture bound. Day et al. (1981) point out that understanding cross-cultural differences in complaint behavior could be helpful to retailers, manufacturers, consumer organizations and government agencies in specific countries. In certain cultures, public voicing of consumer complaints may not be considered as a socially acceptable behavior. For instance, certain East Asian cultures are characterized by a strong face concern, which among other things, leads to avoidance of direct confrontation (Chelminski, 2002). For example, perhaps they grew up in a culture where complaining is looked down on, such as in Japan where the virtue of *gamen* (accepting whatever fate throws in your path without complaint) is highly prized (Barlow & Moller, 1996).

Because such consumers are less likely to complain directly to the firm, it may be necessary for businesses operating in those cultures to develop a strategy to encourage direct complaints to diminish the probability of negative word-of-mouth or boycotting the product (Richins, 1983b). However, none of the studies reported in the consumer behavior and cross-cultural psychology literature have measured the cultural orientation of respondents to examine the mechanism of the cultural influence on the complaining behavior (Chelminski, 2002).

There is some evidence that the literature that culture and ethnicity may affect the way consumers engage in complaint. National cultures differ along several cultural dimensions. One of the characteristics that distinguish national cultures is the individualism-collectivism dimension. This dimension has been one of the most frequently examined independent variable in a cross-cultural context during the 1980s and 1990s (Chelminski, 2002).

Individualism-collectivism dimension distinguishes cultures based on their preference either for a loosely knit social framework in which individuals are independent (i.e. individualistic), or for a tightly knit social framework in which people are emotionally integrated (i.e. collectivistic). People in individualistic cultures exhibit a tendency to be more concerned with their own needs, goals and interests than do people in collectivist cultures. They emphasize uniqueness of each individual and attribute successes to the individual effort rather than group contributions. Individualists favor doing their own thing without much input from their peers. They tend to be confident in their decisions and assertive in presenting their opinions and ideas, yet unwilling to share much of intimacy with people around them (Chelminski, 2002). Generally, collectivist cultures emphasize sharing ideas for the good of the group, feeling of involvement in others' lives, fitting in the group, and maintaining social harmony. Collectivists also consider implications of their own actions for other people and are susceptible to social influence (Chelminski, 2002).

Therefore, it appears that members of collectivistic cultures will have more opportunities to engage in word-of-mouth communications, including sharing their negative experiences with products and services. Indeed, the level of social activity has been shown to be related to the incidence of the negative word-of-mouth. Additionally, people in collective cultures have longer and more disclosing interactions than individualists, and interactions

among collectivists are more likely to be task-focused rather than recreational (Chelminski, 2002).

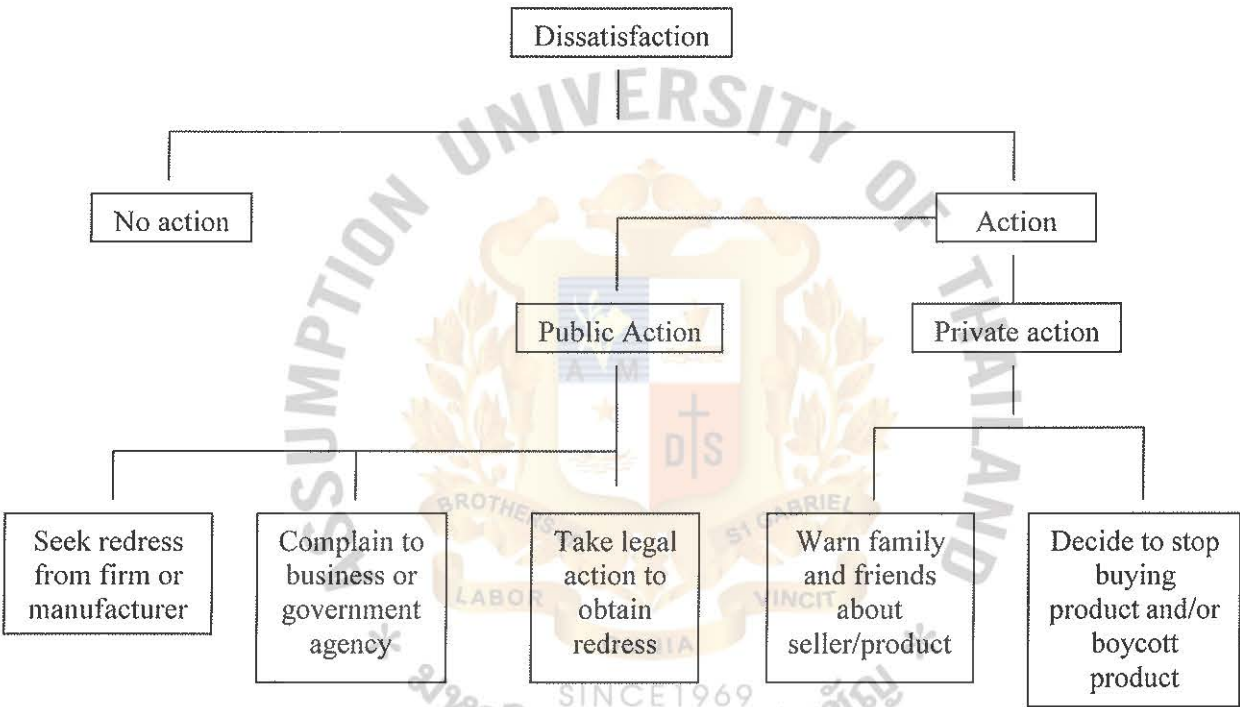
Additionally, one could argue that collectivist consumers might even consider it a social obligation to share negative information about products to safeguard others from a negative experience. Price, Feick and Guskey (1995) have introduced the concept of “market helping behavior.” They defined it as “acts performed in the marketplace that benefit others in their purchases and consumption.” The authors have shown that consumers who are prone to help others are more altruistic and exhibit more collectivistic tendencies than others. Thus, it is possible that collectivistic consumers will indeed be more altruistic, attempting to help other in their market-related endeavors. Additionally, such consumers are likely to not only share general marketplace information with other people, but also warn them of problems with products or services (Chelminski, 2002).

Individualism-collectivism dimension can also influence the propensity to engage in voicing. Individualist cultures are generally viewed as more assertive and aggressive and people in these cultures tend to exhibit higher levels of self-confidence than people in collective cultures. Thus, consumers in individualistic cultures may feel more confident about addressing dissatisfactory marketplace experiences directly to the parties at fault. In contrast, collectivists tend to avoid direct confrontation and favor maintaining social harmony in conflict situations (Chelminski, 2002).

2.4 Day and Landon’s Model of CCB

The model of consumer complaint behavior in Figure 2.1 has achieved wide acceptance in the CCB literature and will be used as the base model for this study, also called Day and Landon model of CCB (Broadbridge & Marshall, 1995).

Figure 2.3 A Classification of Consumer Complaint Behavior



Source: Broadbridge & Marshall, 1995

With regard to taking action to resolve dissatisfaction with products or services the consumer can: do nothing; take some form of private action; or take some form of public action (Day & Landon, 1977).

Research dealing with consumer response to dissatisfying consumption experience intensified in the consumer-oriented 1970s. Day and Landon (1977) introduced the generally

well-received public-private distinction in complaint response. Under their taxonomy, dissatisfied consumers would either “take action” or “take no action.” If action were taken, it was labeled as either a public (i.e. redress sought from seller, legal action, third party complaint) or private action (i.e. personal boycott of brand, negative word-of-mouth behavior).

CCB – Do Nothing

One of the most striking results from CCB research is the number of consumers who, despite experiencing extreme dissatisfaction with a product or service, actually do nothing about it (Day, Grabiske, Schaetzle & Staubach, 1981; Richens & Verbage, 1985).

CCB – Private Action

A second type of action which also would not normally be brought to the attention of the business is private in nature – an action which implies little effort on the behalf of consumers to complain. This is not surprising given that a negative word-of-mouth can have a major influence on the buying behavior of others.

Knowledge of the private actions of consumers may be more significant to marketers than the visible actions of those who seek redress or complain about their experiences (Day & Landon, 1976). In order to get even, dissatisfied consumers who decide not to seek redress may instead engage in negative word-of-mouth behavior, and may vow never to re-patronize the seller (i.e. exit). Dissatisfied consumers who decide to seek redress, on the other hand, are more willing to give the seller a chance to remedy the problem before telling others about their dissatisfaction.

CCB – Public Action

In most instances of public action, which implies that consumers expend greater efforts to resolve their complaints, consumers first take their complaints to the retailer/manufacturer/service provider (Diamond, Ward & Faber, 1976; Day & Landon, 1976).

All evidence is that complaining to third parties is a rare event for consumers. Warland et al (1975), Best & Andreasen (1977) and Kolodinsky (1993 & 1995) report between 5% and 7% of consumers with complaints utilized a third party. Lee and Soberon-Ferrer (1996) used data on persons 65 and over and found third-party complaining rates ranging from 3% (complaining to a federal agency) to 24% (complaining to the Better Business Bureau).

This model is analogous and related to the current concept of propensity-to-complain. The measure of propensity-to-complain is in a continuum (high, low, etc). A more significant approach to predicting CCB is the dissatisfied consumer's propensity-to-complain. Propensity-to-complain influence whether a person will seek to obtain redress or complaining when dissatisfied and also affect the nature of the action to be taken (Bearden, Teel & Crockett, 1980), propensity-to-complain is influenced by the factors outlined by Day's conceptual Complaining / Non-Complaining decision process model (Day, 1984): significance of the consumer event; knowledge and experience; difficulty of seeking redress; chances for success in complaining; and attitudes towards complaining and so on.

2.5 Summary of Previous Studies

A study conducted by Adlina Broadbridge and Julie Marshall regarding CCB in the case of electrical goods primary research was undertaken to investigate levels of post-purchase dissatisfaction with domestic and major electrical appliances, and to explore the CCB action undertaken. When consumers actually make the effort to return the product or complain, additional experiences, such as repairs, became the major source of dissatisfaction. While 86% of the dissatisfied respondents actually took some direct/indirect form of public complaint behavior, 65% of the sample of complainers took private action. Furthermore, it was found that 60% of the respondents took both public and private action; while 27% took only public action compared with 6% who took only private action. Eight percent of the respondents were found to take no action, which confirms other assertions (Day & Landon, 1977). Reasons for this were the result of the costs in terms of time, effort and money exceeding the benefits of taking any complaint action. From the 81 respondents who elected to take one or more private actions, 9% took only private actions while 91% used a combination of both public and private actions to resolve their dissatisfaction. The fact that the majority of dissatisfying experiences in the study were found to prevent further use of the product until the fault was rectified, suggests that consumers often have no alternative but to take public action and return to the seller.

It is generally accepted in CCB theory that high priced, complex items with a relatively long life expectancy generate a higher incidence of public complaint episodes (Day & Landon, 1977). The majority of respondents (92%) believe electrical goods were

essential rather than luxury items, indicating the significance of the product in the functioning of the household. Confirming other research (Day, Grabicke, Schaetzle & Staubach, 1981), smaller electrical appliances were found to generate the fewest complaints and were dependent on the relative cost in terms of time, effort and money against the benefits of complaining. Clearly, for the case of electrical goods, episode-specific factors (nature of product; cost/benefit of complaining; price; importance of product and time required for consumption) were shown to bear a great influence on whether a dissatisfied consumer sought redress, complained (publicly and /or privately) or did nothing. This study did not find the demographic profile of complainers to non-complainers to yield any results relevant to the concept of CCB.

In a study conducted by Kau Ah Keng, Daleen Richmond and Serene Han on Singapore customers regarding determinants of consumer complaining behavior, the sample selection was based on a convenience basis but care was taken to ensure that shoppers in different demographic and social-economic groups were approached. About 77% of the participants in the survey were Chinese, almost the same percentage as reported in the national population census completed in 1990. Similarly, participants from different age groups, medium of education received, educational attainment and income levels were recruited.

A 5-point Likert scale (ranging from strongly disagree to strongly agree) was used to obtain responses to the statements. The list of actions included various types of public and private acts according to Day's taxonomy of complaint actions (Day & Landon,

1997). The final section of the questionnaire was devoted to obtaining the demographic characteristics of the respondents. They were asked to reveal their gender, marital status, ethnic group, age, the language medium in which they received their education, highest level of education attainment, occupation and gross personal income. It is confirmed that only 3 demographic variables, age, income level and education level were found to have significant relationship with complaint behavior at the 0.01 level. It is interesting to note that women were more inclined to make a complaint as compared to their male counterparts, as indicated by the significant relationship at the 0.05 level.

Complainers were in general found to be holding a positive attitude toward business in that they believed that businesses were responsive. The non-complainers, on the other hand, were inclined to distrust businesses and believed that complaining would be futile. They believed that firms would cheat and not take notice of complaints reported. They also held the view that even if businesses bothered to respond to complaints made, the process would be too long. Complainers would be more likely to resort to complaint action if the price of the product bought was high.

A study conducted by Tor W. Andreassen and Line L. Olsen in Norwegian School of Management asserts that while explaining which particular type of complaint behavior a dissatisfied customer might choose, less attention has been given to the process lying behind customers' decisions of whether or not to complain. Therefore, the objective of this research is to establish a relationship between various factors and the process opted by customers to decide whether or not to complain. In this research, the

researchers have employed Bagozzi and Warshaw's theory of trying to the complaint situation. A conceptual model is developed and tested in a two-by-two experiment reflecting service complexity (high, low) and customer status (frequent user, infrequent user).

This study has revealed a number of theoretical and managerial implications. First, whereas subjective norm impacts intention to complain for non-complex services, it does not for complex services. Second, whereas experience does not matter for simple services with regard to structural paths, experience does matter for more complex services. Third, intention to complain is influenced directly by attitude toward complaining and indirectly by expected satisfaction from complaining. Fourth, in all cases previous experience from complaining was positively correlated with expected satisfaction from complaining and attitude toward complaining. Fifth, low involvement customers, and low experienced users take a more peripheral route when making decisions whether to complain or not.

A study done by Jeanne M. Hogarth, Maureen English & Manisha Sharma explores consumers' satisfaction with the complaint process, using a data set of financial service complaints lodged with a federal agency acting as a third party complaint mechanism. The questionnaire includes a set of seven questions posed to consumers, all on a 1 to 5 scale, as to the degree of satisfaction they had with various aspects of the Federal Reserve's handling of their complaints.

Respondents and non-respondents were similar with respect to gender, region, source of the complaint, product complained about, and the time it took to resolve. Contrary to previous studies (see Best & Andreasen, 1977; Hogarth & English, 1997), they found that 60% of consumers who complained about financial services to a third party (specifically, to the Federal Reserve) were satisfied with the complaint resolution process; of these satisfied consumers, over half were very satisfied. One-fifth (21 %) could be classified as dissatisfied.

While an expanded and more detailed data set has enabled a more refined look at consumers' satisfaction with third-party efforts, it is still the case that the data only apply to the financial sector and cannot be generalized to the service sector as a whole. Perhaps even more specifically, these results may be relevant only to the banking industry and to federal-level, third party complaint programs.

A study by Chris Veldkemp, Palomar Family YMCA & Sheila J. Backman, Clemson University respondents exhibiting higher loyalty were most likely to complain to friends or family. High loyalty consumers were more likely to hold a positive attitude towards the agency. When the dissatisfaction is serious, consumers tend to complain, regardless of other factors in the situation. If complaints are encouraged, the agency has the chance to remedy legitimate complaints and win back a customer who may also make positive reports to others, enhancing goodwill.

Donald E. Conlon, University of Delaware & Noel M. Murray Chapman University conducted a study, whose objective was to examine how explanation affects complainant reaction. It was somewhat surprising to note that as products became more expensive, companies typically stopped offering compensation. It may be too costly for the makers of expensive items to completely reimburse a customer who complains, but a small amount of compensation may be sufficient to restore a positive attitude about the company and enhance the likelihood of future purchases. Regarding problem severity, our regression analyses showed product price to be negatively related to both satisfaction with the explanation and future intentions to do business with the company.

Study by Nancy Stephens, Arizona State University & Kevin P. Gwinner, East Carolina University specific focus is placed on the role of emotion elicitation and emotion's impact on consumers' decisions not to complain. Because of past experience with the merchant, a respondent called June felt high coping potential and was less likely to appraise the following incident as stressful.

CHAPTER III

Research Framework

This chapter is aimed at discussing about the theoretical and conceptual framework of the study. The independent and dependent variables will also be operationalized. The null and alternative hypotheses about all the independent variables will also be stated for testing purposes. In the theoretical framework, Day and Landon's conceptual model of CCB will be presented, which is the base model for this study.

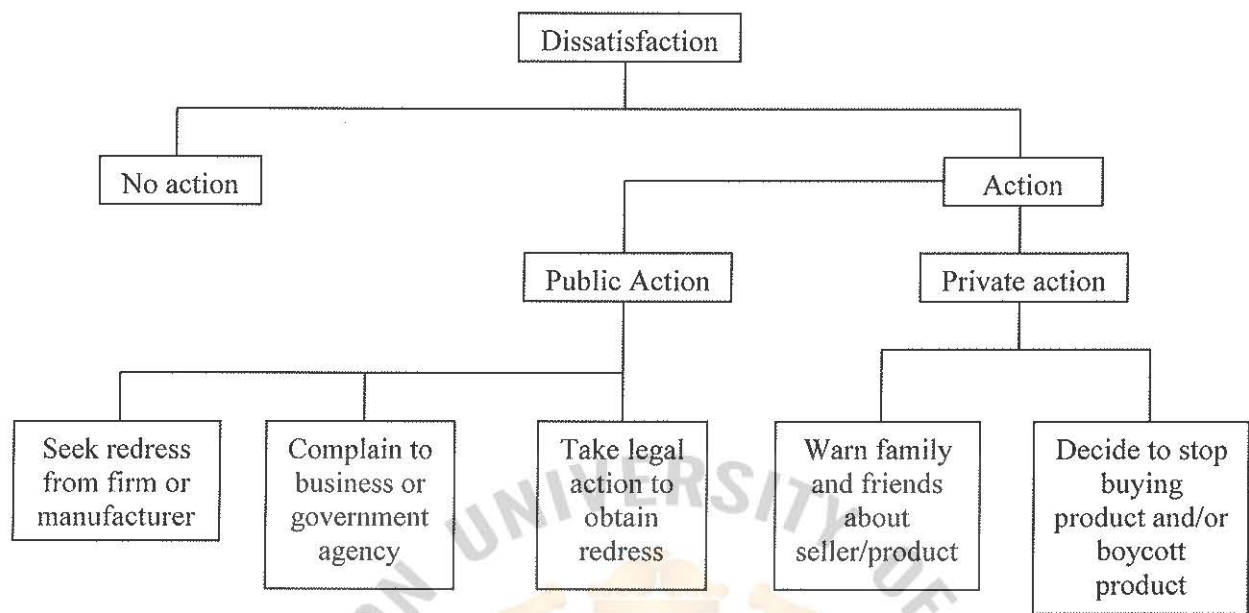
3.1 Theoretical Framework

3.1.1 Day and Landon's Model of CCB

The model of consumer complaint behavior in Figure 3.1 has achieved wide acceptance in the CCB literature and will be used as the base model for this study, also called Day and Landon model of CCB (Broadbridge & Marshall, 1995).

This model is analogous and related to the current concept of propensity-to-complain. The measure of propensity-to-complain is in a continuum (high, low, etc). But in this model customers are expected to take 1 of 3 actions, which is depicted in the figure below (Broadbridge & Marshall, 1995):

Figure 3.1 A Classification of Consumer Complaint Behavior



Source: Broadbridge & Marshall, 1995

With regard to taking action to resolve dissatisfaction with products or services the consumer can: do nothing; take some form of private action; or take some form of public action (Day & Landon, 1977).

CCB – Do Nothing

One of the most striking results from CCB research is the number of consumers who, despite experiencing extreme dissatisfaction with a product or service, actually do nothing about it (Day, Grabicke, Schaetzle & Staubach;, 1981; Richens & Verbage, 1985).

CCB – Private Action

A second type of action which also would not normally be brought to the attention of the business is private in nature – an action which implies little effort on the behalf of

consumers to complain. This is not surprising given that a negative word-of-mouth can have a major influence on the buying behavior of others.

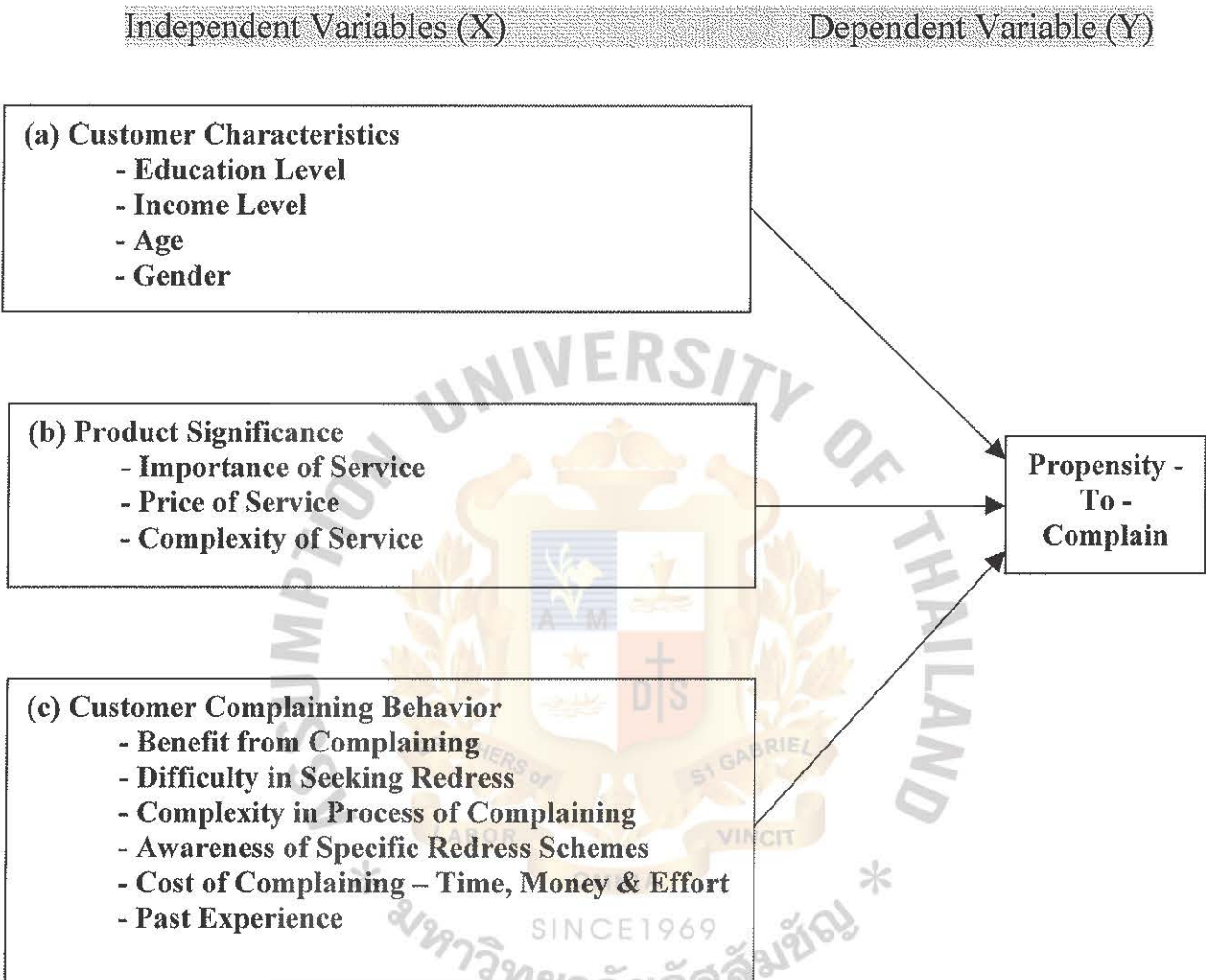
CCB – Public Action

In most instances of public action, which implies that consumers expend greater efforts to resolve their complaints, customers first take their complaints to the retailer/manufacturer/service provider (Diamond, Ward & Faber, 1976; Day & Landon, 1976). What action they will take is also explained by on what group they fall into. The 4 groups or clusters defined and researched by Singh (1990) are voicers, passives, irates and activists.



3.2 Conceptual Framework

Figure 3.2 Conceptual Framework



3.3 Operationalization of Variables

Table 3.1 Operationalization of Independent Variables

(a) Customer Characteristics				
Variable	Definition	Operational Definition	Level of Measurement	Q. No.
- Education Level	Education level is defined as the knowledge, skill and/or qualification one has obtained or developed in any given field by a learning process from formal institution or school or college.	Received degree	Ordinal	14-d
- Income Level	Income level is defined as the amount of money or assets of monetary value that one earns or receives in exchange for his/her labor or services over time.	Baht/Month	Ordinal	14-c
- Age	Age of a consumer is defined as the time period between his date of birth and present time.	No. of Years	Ordinal	14-b
- Gender	Gender is defined as the sex group to which one belongs. This is a mere classification of one's sex.	Male/Female	Nominal	14-a

(b) Service Significance

Variable	Definition	Operational Definition	Level of Measurement	Q. No.
- Importance of Service	Importance of service refers to the relative worth an individual places on a service (Bloch & Richins, 1983)	Level of importance of the service to the customers	Interval	3
- Price of Service	Price of a service is defined as the monetary value of that service expressed in a particular currency.	Value attached to the service	Interval	4
- Complexity of Service	Complexity of service is defined as the degree to which a new service is difficult to comprehend and / or use.	Degree of ease of use	Interval	5

(c) Customer Complaining Behavior

Variable	* Definition	Operational Definition	* Level of Measurement	Q. No.
- Benefit from Complaining	Benefit from complaining is a function of the payoff from complaining minus the cost of complaining.	Outcome of complaining	Interval	6
- Difficulty in Seeking Redress	How difficult it is to seek redress from the company.	Company's willingness to compensate a complainer	Interval	7
- Complexity of Process of Complaining	Complexity means how complex is the process of complaining.	Procedure of complaining	Interval	8
- Awareness of Specific Redress Schemes	Awareness of Specific Redress Schemes refers to the awareness of a consumer on various redress schemes on complaining available in the company.	Consumer's knowledge about redress schemes	Interval	9

- Cost of Complaining – Time, Money and Effort	Cost of complaining means the aggregate of time, effort and money invested by the customer to make a complaint.	Aggregate of time, effort and money	Interval	10,11
- Past Experience	Past experience refers to the experience of consumer regarding any complaining situation in the past.	Past complaining experience	Interval	12

Table 3.2 Operationalization of Dependent Variable

Variable	Definition	Operational Definition	Level of Measurement	Q. No.
Propensity-to-Complain	Propensity-to-complain is defined as consumer's tendency to complain when they are dissatisfied.	Tendency to complain	Interval	13

3.4 Hypothesis Statements

The null and alternative hypothesis for all the independent and dependent variables are stated below for the testing purposes. Since there are 3 groups of independent variables the hypotheses are also divided into 3 groups. The first group, customer characteristics, are the hypotheses for testing the difference among the independent variables, whereas the second and third group, namely, service significance and customer complaining behavior, are the hypotheses for testing the relationships between independent and dependent variables, as shown in the conceptual framework.

3.4.1 Customer Characteristics

This group contains hypothesis 1 through 4. This is the first group of hypotheses and are stated as below:

H₀ 1: There is no difference in propensity-to-complain among different education groups.

H_a 1: There is a difference in propensity-to-complain among different education groups.

H₀ 2: There is no difference in propensity-to-complain among different income groups.

H_a 2: There is a difference in propensity-to-complain among different income groups.

H₀ 3: There is no difference in propensity-to-complain among different age groups.

H_a 3: There is a difference in propensity-to-complain among different age groups.

H₀ 4: There is no difference in propensity-to-complain among different genders.

H_a 4: There is a difference in propensity-to-complain among different genders.

3.4.2 Service Significance

This group contains hypothesis 5 through 7. This is the second group of hypotheses and are stated as below:

H₀ 5: There is no relationship between importance of service to customers and their propensity-to-complain.

H_a 5: There is a relationship between importance of service to customers and their propensity-to-complain.

H₀ 6: There is no relationship between price of service and customers' propensity-to-complain.

H_a 6: There is a relationship between price of service and customers' and their propensity-to-complain.

H₀ 7: There is no relationship between complexity of product to customers and their propensity-to-complain.

H_a 7: There is a relationship between complexity of product to customers and their propensity-to-complain.

3.4.3 Customer Complaining Behavior

This group contains hypothesis 8 through 13. This is the third group of hypotheses and are stated as below:

H₀ 8: There is no relationship between customers' perception of benefit from complaining and their propensity-to-complain.

H_a 8: There is a relationship between customers' perception of benefit from complaining and their propensity-to-complain.

H₀ 9: There is no relationship between customers' perception of difficulty in seeking redress and their propensity-to-complain.

H_a 9: There is a relationship between customers' perception of difficulty in seeking redress and their propensity-to-complain.

H₀ 10: There is no relationship between customers' perception of complexity in process of complaining and their propensity-to-complain.

H_a 10: There is no relationship between customers' perception of complexity in process of complaining and their propensity-to-complain.

H₀ 11: There is no relationship between customers' awareness of specific redress schemes and their propensity-to-complain.

H_a 11: There is a relationship between customers' awareness of specific redress schemes and their propensity-to-complain.

H₀ 12: There is no relationship between cost of complaining of customers and their propensity-to-complain.

H_a 12: There is a relationship between cost of complaining of customers and their propensity-to-complain.

H₀ 13: There is no relationship between past experience of customers and their propensity-to-complain.

H_a 13: There is a relationship between past experience of customers and their propensity-to-complain.



CHAPTER IV

Research Methodology

The purpose of this chapter is to provide the reader with an overview of methodology that was used in this research. In this chapter, first, about the research method used will be discussed. Second, the readers will be familiarized about the respondents and sampling procedure will be described. This includes target population, sampling unit, population element, sampling method and sample size. Third, research instrument will be discussed, which includes the source of primary data, design and structure of the questionnaire, and the pretest of the questionnaire. Fourth, the data collection process will be discussed. And the last discussion will be about how the data collected were encoded, processed and analyzed, and presented in the comprehensive form.

4.1 Research Method

4.1.1 Sample Survey

The required data was collected through sample survey. The basic idea of sampling is that by selecting some of the elements in a population, conclusions about the entire population may be drawn. The cross-sectional research panel was used. Cross-sectional studies measure the population at only one point in time. Therefore, sample survey is the cross-sectional studies whose samples are drawn in such a way as to be representative of a specific population (Burns & Bush, 2000). In addition, surveys can provide a quick, inexpensive, efficient and accurate means of assessing information about a population (Zikmund, 1999). The sample survey is probably the most used type of design in business

research endeavors because they allow the researchers to study and describe large populations fairly quickly at relatively low cost (Davis & Cosenza, 1993).

Tull and Hawkins (1987) define survey research as “the systematic gathering of information from respondents for the purpose of understanding and/or predicting some aspects of the behavior of the population of interest.” Such information may be factual or opinion-based and the researcher’s ability to secure it will depend heavily upon both the structure and the sequence in which he puts questions to the respondents.

4.2 Respondents and Sampling Procedure

4.2.1 Target Population

Population refers to the entire group of people, events or things of interest that the researcher wishes to investigate (Shekaran, 1992). Population is defined as any complete group entities that share same common set of characteristics and the target population is the specific complete group relevant to the project (Zikmund, 1991). A population is the total collection of elements about which the researcher wish to make some inferences (Cooper & Schindler, 1998). Target population is the collection of elements or objects that process the information sought by the researcher and about which inferences are to be made (Malhotra, 1999). In this research the target population was all the AIS mobile phone customers, male and female, residents of Bangkok metropolitan city, age 18 and older, which is approximately 9 million.

4.2.2 Sampling Unit

A sampling unit is an element, or a unit containing the element, that is available for selection at some stage of the sampling process (Malhotra, 2000). For the current research the sampling unit was AIS service center in The Mall, Bangkok.

4.2.3 Population Element

A population element is the subject on which the measurement is being taken. Based on the target population mentioned above the sampling element for this research was all the AIS mobile phone customers, male and female, age 18 and older and residents of Bangkok metropolitan city.

4.2.4 Sampling Method

For this research study, non-probability sampling method was more appropriate. Non-probability sampling is defined as a sampling technique in which sampling units are selected on the basis of personal judgment or convenience; the probability of any particular member of the population being chosen is unknown (Zikmund, 1997).

In non-probability sampling, the elements do not have a known or predetermined chance of being selected. That means the elements in the population do not have any probability attached to them to be chosen as sample objects. Therefore, the finding of this study cannot be generalized to the entire population as the researcher has mentioned earlier in limitations of the study. As the name suggests non-probability sampling is a sampling procedure that relies on personal judgment somewhere in the element selection process and therefore prohibits estimating the probability that any element will be included in the sample

(Churchill, 1979). Since this research is based on non-probability sampling technique, it does not require a list of population. Therefore no sampling frame is required for this study.

In the current research, the researcher decided to use the convenience sampling method. Researchers generally use convenience sample to obtain a large number of completed questionnaires quickly and economically (Zikmund, 1997). Convenience sampling technique is defined as the sampling procedure of obtaining the data in a way that is most convenient available (Zikmund, 1997).

4.2.5 Sample Size

Sample size is the size of sample; the number of observations or cases specified by the estimated variance of the population, the magnitude of acceptable error, and the confidence level (Zikmund, 1997). The author further mentions that the determination of sample size depends on the research question and the variability with the sample.

Since non-probability sampling method was applied, there is no specific method of determining sample size in this case. Various techniques of determining sample sizes are available around. The researcher based the sample size on the table provided by Malhotra (1999) from which the researcher determined the sample size to be 400.

Table 4.1 Sample Size and Marketing Research Studies

Type of Study	Minimum Size	Typical Range
Problem identification research (e.g. market	500	1,000 - 2,500

potential)		
Problem solving research (e.g. pricing)	200	300 – 500
Products tests	200	300 – 500
Test marketing studies	200	300-500
TV/radio/print advertising (per commercial or ad tested)	150	200-300
Test marketing audits	10 stores	10-20 stores
Focus groups	6 groups	10-15 groups

Source: Malhotra, 1999

4.3 Research Instrument: Structured Questionnaire

4.3.1 Sources of Primary Data

Structured and self-administered questionnaire was used as the research instrument for collecting primary data for the current study. This approach is suitable for the current study because the data obtained in the way is readily interpreted by the aid of computer.

There are some advantages of the self-administered questionnaire, such as low cost, expanded geographic coverage without increase in cost (Cooper & Schindler, 1998). This method also allows respondents time to think to answer the questions.

4.3.2 Design of Questionnaire

The questionnaire consisted of general instructions and illustrations to respond to the questions. The total number of questions was reduced to a minimum to save respondents time

thereby increasing their tendency to answer all the questions accurately. Moreover, to increase the response rate the respondents were assured of complete confidentiality.

Primarily the questionnaire was prepared in English. Keeping in mind the proficiency of English within the respondents, they were provided with questionnaires translated in Thai for their convenience and comprehension. Professional translator was sought for accurate translation.

4.3.3 Structure of Questionnaire

The questionnaire starts with a short greeting to the respondents and a brief introduction of what the questionnaire is about. This is followed by information and instructions to fill up the questionnaire. Then comes the question-answer part. There will be altogether 17 questions including sub-questions. Most of the questions related to CCB are in 5-point scale type, whereas screening questions, like age, gender, income and education, which is the part of the survey were put in the later part.

4.3.4 Pretest

The final step towards improving result is pre-testing (Cooper & Schindler, 1998). Pre-tests are trial runs with a group of respondents for the purpose of detecting problems in the questionnaire instructions or design. No matter how well the questionnaire is designed and structured the pretest becomes important. The reasons are that in pretests the researcher looks for evidence of ambiguous questions and instructions, and respondent misunderstanding, whether or not the questions mean the same thing to all respondents; the point at which respondent fatigue sets in; places in the questionnaire where a respondent is likely to terminate; and other considerations (Zikmund, 2000).

The first draft of the questionnaire was pilot-tested to check if there were any ambiguities, incomprehensiveness, as well as spelling and grammatical errors. The suggestions were incorporated when found useful.

For this research, the questionnaire was pre-tested in order to find out possible problems and test the reliability of the questionnaire by distributing the questionnaires to the randomly selected respondents in Assumption University. Mistakes were corrected and adjustments were done in terms of sequencing, wording and sentence structure, ambiguities, etc on the basis of respondent feedbacks, either expressed or implied, so that communication biasness between the researcher and the respondents was diminished.

The tentative distribution period for pretest will be during October-November 2003.

4.4 Collection of Data

This research relies on the primary data collected through questionnaires. Enough copies of pre-tested questionnaires were printed out. Since the sampling unit is the AIS service center in The Mall, Bankapi, on a particular day, AIS customers were approached during peak hours of the day. Five people volunteered to actually distribute and collect the questionnaires. Since this study was about dissatisfied customers, it was necessary that the respondents should be dissatisfied with AIS services. Questionnaires were distributed to those who had anytime felt dissatisfaction with AIS services. It took 5 days to get all the 400 questionnaires to be filled up.

The respondents were asked to fill up questionnaires, which covered the areas to be found out in the form of direct questions. Respondent demographic information were also

collected. The questionnaires took not more than 7-8 minutes to fill up, so it was feasible for respondents to fill them up on the spot where they were met. The filled up questionnaires were be taken back and were subjected to be analyzed by SPSSx program for Windows in PC.

4.5 Statistical Analysis of Data

The data obtained from the questionnaire collected were encoded and processed by a widely used computer program for such purposes called SPSS 11.5 (Statistical Package for Social Science) for Windows program and analyses were done accordingly. The output or the interpretation of data were presented in a comprehensive way.

4.5.1 StatisticsUsed

According to the scale of measurement the researcher has matched the proper statistic for proper hypothesis. This is given in the tabular form as below:

*** Table 4.2 Statistics to be Used**

Hypothesis	Measurement of	Statistic
Hypothesis 1- Hypothesis 3	Difference	Kruskal-Wallis Test
Hypothesis 4	Difference	Mann-Whitney U
Hypothesis 5 – Hypothesis 13	Correlation	Spearman’s rho

4.5.2 Test of Significance

The significance level is a critical probability in choosing between the null hypothesis and the alternative hypothesis (Zikmund, 1991). The level of significance chosen for the current study is 0.05, which is considered to be suitable for the current analysis based on past studies on CCB.



CHAPTER V

Data Analysis

In this chapter the data obtained from questionnaire will be summarized and analyzed, and presented as SPSS outputs. The focus will be on 3 aspects of the data. First, the descriptive statistics in the form of frequency tables. Second, the inferential statistics, where the researcher will arrive at a decision whether to reject or accept null hypothesis. The summary of hypothesis testing will be the last to be presented in this chapter.

5.1 Descriptive Analysis

Descriptive statistics is a good place to start in the analysis, because they display characteristics of the location, spread and shape of an array of data. The researcher attempts to describe or define a subject, often by creating a profile of a group of problems, people or events through the collection of data and the tabulation of the frequencies on research variables or their interaction (Cooper and Schindler, 2001).

5.1.1 Frequency Analysis

In the frequency analysis, the researcher presents the frequency of data in the form of its times of repetition and as percentages. This part of the analysis is important because this provides the clue to arrive at a conclusion of the current research study. Gender and other consumer characteristics are better to start with:

5.1.1.1 Customer Characteristics

Table 5.1 Gender of Respondents who Participated in the Study

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	216	54.0	54.0	54.0
	Female	184	46.0	46.0	100.0
	Total	400	100.0	100.0	

As the sample size determined for this study was 400, more than 400 questionnaires were distributed so as to reach the responses upto 400 cases. As shown in the Table 5.1, altogether, 216 males and 184 females participated as respondents, which amounted to 54% and 46% respectively.

Table 5.2 Age of Respondents who Participated in the Study

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 20 years	73	18.3	18.3	18.3
	20 - 40 years	313	78.3	78.3	96.5
	Greater than 40 years	14	3.5	3.5	100.0
	Total	400	100.0	100.0	

The age group of respondents were classified into 3 groups as depicted in the Table 5.2. Seventy-three percent of respondents were under the age of 20% and 14% of respondents were over 40 years of age. Most of the respondents fell into the middle group, i.e. 20 – 40 years of age which amounts to 78.3%. The corresponding frequencies of these 3 groups are 73, 313 and 14 respectively, as shown in the Table 5.2.

Table 5.3 Education Level of Respondents who Participated in the Study

		Education Level			Cumulative Percent
		Frequency	Percent	Valid Percent	
Valid	Up to High School	19	4.8	4.8	4.8
	Diploma/Bachelor Degree	284	71.0	71.0	75.8
	Master's Degree and Above	97	24.3	24.3	100.0
	Total	400	100.0	100.0	

In the Table 5.3 it is evident that most of the respondents fell into Diploma/Bachelor Degree group, whose frequency is 284 and corresponding percentage is 71%. Similarly, the first and third group, namely, Upto High School and Masters Degree and Above have frequency of 19 and 97 respectively and their corresponding percentages are 4.8% and 24.3%.

Table 5.4 Income Level of Respondents who Participated in the Study

Income Level		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 10,000 baht	209	52.3	52.3	52.3
	10,000 - 29,999 baht	156	39.0	39.0	91.3
	30,000 baht and above	35	8.8	8.8	100.0
	Total	400	100.0	100.0	

As depicted in Table 5.4, the income level was also classified into 3 groups. 52.3% of respondents have income level less than 10,000 baht (inclusive), 39% of respondents have income between 10,000 – 29,999 baht (inclusive) and 8.8% of respondents have income level above 30,000 baht and above (inclusive). The corresponding numbers of respondents in each group are 209, 156 and 35 respectively.

5.1.1.2 Service Significance

Table 5.5 Importance of AIS Service to Respondents

Importance of AIS Service		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Important2	7	1.8	1.8	1.8
	Important3	149	37.3	37.3	39.0
	Important4	163	40.8	40.8	79.8
	Important5 (High)	81	20.3	20.3	100.0

Total	400	100.0	100.0
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The importance of service to customers has frequency and percentages as shown in Table 5.5. Since this variable was in the interval scale the respondents were given impression about the equal distance between the numbers in the scale. The extreme points in the scale were high importance and low importance. Since not even one respondent marked low importance its data is absent. This shows that for most of the customers of AIS, its service is important. It can also be inferred from the Table 5.5 that for most of the respondents AIS service is of medium importance.

Table 5.6 Price of AIS Service to Respondents

Price of AIS Service

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Expensive1 (Expensive)	126	31.5	31.5	31.5
Expensive2	173	43.3	43.3	74.8
Expensive3	94	23.5	23.5	98.3
Expensive4	7	1.8	1.8	100.0
Total	400	100.0	100.0	

In Table 5.6 most of the AIS customers think that AIS service is expensive. Since this is also in the interval scale the extreme points are Cheap and Expensive. Not even a single respondent marked AIS service is to be cheap. This shows that for most of them

AIS service is expensive. The frequency and percentages of the various level of expensiveness of AIS service can clearly be seen in Table 5.6.

Table 5.7 Complexity of AIS Service to Respondents

Complexity of AIS Service				
		Frequency	Percent	Cumulative Valid Percent
Valid	Complex1 (Complex)	7	1.8	1.8
	Complex2	53	13.3	15.0
	Complex3	175	43.8	58.8
	Complex4	106	26.5	85.3
	Complex5 (Simple)	59	14.8	100.0
	Total	400	100.0	

Since complexity of service is also measured in the interval scale the extreme points in the scale were simple and complex. As can be seen in the Table 5.7, for most of the AIS customers AIS service is neither simple nor complex. The neutral response amounts to 175, which is 43.8% of the total respondents.

5.1.1.3 Customer Complaining Behavior

Table 5.8 Benefit from Complaining to Respondents

Benefit from Complaining				
		Frequency	Percent	Cumulative Percent
Valid	Benefit1 (Low)	32	8.0	8.0
	Benefit2	108	27.0	35.0
	Benefit3	158	39.5	74.5
	Benefit4	88	22.0	96.5
	Benefit5 (High)	14	3.5	100.0
	Total	400	100.0	

For most of the respondents, there is lower benefit from complaining in AIS as can be seen in the Table 5.8. The extreme points in this interval scale is low benefit and high benefit. The frequency and percentages can clearly be studied from this table.

Table 5.9 Difficulty in Seeking Redress to Respondents

Difficulty in Seeking Redress		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Redress1 (Difficult)	40	10.0	10.0	10.0
	Redress2	146	36.5	36.5	46.5
	Redress3	159	39.8	39.8	86.3
	Redress4	34	8.5	8.5	94.8
	Redress5 (Easy)	21	5.3	5.3	100.0
	Total	400	100.0	100.0	

As shown in the Table 5.8, most of the respondents had tendency to answer that it is difficult to seek redress in AIS. Most of them are neutral about it too. The extreme points in this interval scale was difficult and easy. The corresponding frequency and percentages is clearly depicted in the table.

Table 5.10 Complexity in Process of Complaining to Respondents

Complexity in Process of Complaining		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Complex Process1 (Complex)	20	5.0	5.0	5.0
	Complex Process2	124	31.0	31.0	36.0

Complex Process3	166	41.5	41.5	77.5
Complex Process4	62	15.5	15.5	93.0
Complex Process5 (Simple)	28	7.0	7.0	100.0
Total	400	100.0	100.0	

As shown in Table 5.10 for most of the respondents has neutral answers about complexity of process of complaining. The extreme points in this interval scale are complex and simple. It is clearly presented in table that which level in the scale got how much frequencies and percentages of the total.

Table 5.11 Awareness of Specific Redress Schemes of Respondents

Awareness of Specific Redress Schemes

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Redress Schemes1 (Low)	112	28.0	28.0	28.0
Redress Schemes2	134	33.5	33.5	61.5
Redress Schemes3	133	33.3	33.3	94.8
Redress Schemes4	14	3.5	3.5	98.3
Redress Schemes5 (High)	7	1.8	1.8	100.0
Total	400	100.0	100.0	

In Table 5.11 presents the frequency and percentages of respondents about their awareness of Specific Redress Schemes in AIS, if they seek redress when dissatisfied. It

can be studied from the table that most of the respondents have high tendency to be unaware of specific redress schemes in AIS.

Table 5.12 Cost of Complaining to Respondents

Cost of Complaining					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Cost1 (High)	20	5.0	5.0	5.0
	Cost1.5	14	3.5	3.5	8.5
	Cost2	66	16.5	16.5	25.0
	Cost2.5	113	28.3	28.3	53.3
	Cost3	99	24.8	24.8	78.0
	Cost3.5	54	13.5	13.5	91.5
	Cost4.5	21	5.3	5.3	96.8
	Cost5 (Low)	13	3.3	3.3	100.0
	Total	400	100.0	100.0	

In the Table 5.12 the frequency and corresponding percentages are given. Most of the respondents think that AIS service is not very high and not very low, which is evident from the table. The extreme points in this interval scale are high cost and low cost.

Table 5.13 Past Complaining Experiences of Respondents

Past Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Experience1 (Bad)	48	12.0	12.0	12.0
	Experience2	101	25.3	25.3	37.3
	Experience3	148	37.0	37.0	74.3
	Experience4	75	18.8	18.8	93.0
	Experience5 (Good)	28	7.0	7.0	100.0
	Total	400	100.0	100.0	

As shown in the Table 5.13, past complaining experiences of the respondents are asked according to whether it was good or bad. This is also in the interval scale having good and bad as the extreme points in the scale. Most of the respondents tended to answer that their past complaining experiences are bad. The highest number of respondents chose the middle point in the scale. The frequency and percentages of each point in the scale is depicted in the table.

Table 5.14 Propensity-to-Complain of Respondents

Propensity-to-Complain

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Propensity1 (Very Low)	39	9.8	9.8	9.8
	Propensity2	95	23.8	23.8	33.5
	Propensity3	131	32.8	32.8	66.3
	Propensity4	101	25.3	25.3	91.5
	Propensity5 (Very High)	34	8.5	8.5	100.0
	Total	400	100.0	100.0	

In the Table 5.14, respondents propensity-to –complain was asked. As seen in the table, the frequency distribution has taken almost the symmetric shape. Therefore in this part respondents have varied kind of responses. However, most of the respondents have tendency to answer the neutral part of the scale. The extreme points in this interval scale were very high and very low.

5.2 Inferential Statistics

In this section, relationship between independent and dependent variable is examined by using SPSS program. Since the measurement is of difference and correlation, the researcher used Mann-Whitney U and Kruskal-Wallis tests for the test of difference and Spearman's rho for the test of correlation.

5.2.1 Customer Characteristics

5.2.1.1 Test of Difference: Education Level

H_0 1: There is no difference in propensity-to-complain among different education groups.

H_a 1: There is a difference in propensity-to-complain among different education groups.

Statistically,

H_0 1: $\mu_{e1} = \mu_{e2} = \mu_{e3}$

H_a 1: $\mu_{e1} \neq \mu_{e2} \neq \mu_{e3}$ (level of significance, $\alpha = 0.05$)

Table 5.15 Test of Difference between Education Level and Propensity-to-Complain

Test Statistics(a,b)

	Propensity- to-Complain
Chi-Square	22.170
df	2
Asymp. Sig.	.000

a. Kruskal Wallis Test

b. Grouping Variable: Education Level

As shown in the Table 5.15 the value .000 indicates that there is a group difference between education level. Therefore, hypothesis $H_0 1$ is rejected and $H_a 1$ is accepted. In other words, there is difference among education groups “up to high school”, “diploma/bachelor degree” and “master’s degree and above.”

5.2.1.2 Test of Difference: Income Level

$H_0 2$: There is no difference in propensity-to-complain among different income groups.

$H_a 2$: There is a difference in propensity-to-complain among different income groups.

Statistically,

$H_0 2$: $\mu_{i1} = \mu_{i2} = \mu_{i3}$

$H_a 2$: $\mu_{i1} \neq \mu_{i2} \neq \mu_{i3}$ (level of significance, $\alpha = 0.05$)

Table 5.16 Test of Difference between Income Level and Propensity-to-Complain

Test Statistics(a,b)

	Propensity- to-Complain
Chi-Square	2.431
df	2
Asymp. Sig.	.297

a Kruskal Wallis Test
b Grouping Variable: Income Level

As shown in the Table 5.16 the value .297 indicates that there is no group difference between income levels. Therefore, hypothesis $H_0 2$ is accepted and $H_a 2$ is rejected. In other words, there is no difference among income groups “less than 10,000 baht”, “10,000 – 29,000 baht” and “30,000 baht and above.”

5.2.1.3 Test of Difference: Age

$H_0 3$: There is no difference in propensity-to-complain among different age groups.

$H_a 3$: There is a difference in propensity-to-complain among different age groups.

Statistically,

$H_0\ 3: \mu_{a1} = \mu_{a2} = \mu_{a3}$

$H_a\ 3: \mu_{a1} \neq \mu_{a2} \neq \mu_{a3}$ (level of significance, $\alpha = 0.05$)

Table 5.17 Test of Difference between Age and Propensity-to-Complain

Test Statistics(a,b)

	Propensity- to-Complain
Chi-Square	28.182
df	2
Asymp. Sig.	.000

a. Kruskal Wallis Test

b. Grouping Variable: Age

As shown in the Table 5.15 the value .000 indicates that there is a group difference between age groups. Therefore, hypothesis $H_0\ 3$ is rejected and $H_a\ 3$ is accepted. In other words, there is difference among age groups “less than 20 years”, “20-40 years” and “greater than 40 years.”

5.2.1.4 Test of Difference: Gender

$H_0\ 4:$ There is no difference in propensity-to-complain among different genders.

$H_a\ 4:$ There is a difference in propensity-to-complain among different genders.

Statistically,

$H_0\ 4: \mu_m = \mu_f$

$H_a\ 4: \mu_m \neq \mu_f$ (level of significance, $\alpha = 0.05$)

Table 5.18 Test of Difference between Gender and Propensity-to-Complain

Test Statistics(a)

	Propensity- to-Complain
Mann-Whitney U	17592.500
Wilcoxon W	41028.500
Z	-2.047
Asymp. Sig. (2-tailed)	.041

a. Grouping Variable: Gender

As shown in the Table 5.15 the value .041 indicates that there is no difference between paired samples of gender. Therefore, hypothesis $H_0\ 4$ is accepted and $H_a\ 4$ is rejected. In other words, there is no difference between male and female in propensity-to-complain.

5.2.2 Service Significance

5.2.2.1 Test of Correlation: Importance of Service

H₀ 5: There is no relationship between importance of service to customers and their propensity-to-complain.

H_a 5: There is a relationship between importance of service to customers and their propensity-to-complain.

Statistically,

H₀ 5: $\rho = 0$

H_a 5: $\rho \neq 0$ (level of significance, $\alpha = 0.05$)

Table 5.19 Test of Correlation between Importance of Service and Propensity-to-Complain

Correlations			Importance of AIS Service	Propensity- to-Complain
	*			
Spearman's rho	Importance of AIS Service	Correlation Coefficient	1.000	-.015
		Sig. (2-tailed)	.	.763
		N	400	400
	Propensity-to- Complain	Correlation Coefficient	-.015	1.000
		Sig. (2-tailed)	.763	.
		N	400	400

The Spearman's Rank Correlation in Table 5.19 reports that the p-value is .763, which is greater than 0.05 level of significance under 2-tailed test. Therefore H₀ 5 is

accepted and H_a 5 is rejected. In other words, there is no relationship between the importance of service and AIS customers' propensity-to-complain. It is also studied from the table that the correlation coefficient is -.015 which indicates that the relationship is negative and almost zero. Therefore H_0 5 is accepted.

5.2.2.2 Test of Correlation: Price of Service

- H_0 6: There is no relationship between price of service and customers' propensity-to-complain.
- H_a 6: There is a relationship between price of service and customers' and their propensity-to-complain.

Statistically,

H_0 6: $\rho = 0$

H_a 6: $\rho \neq 0$ (level of significance, $\alpha = 0.05$)

Table 5.20 Test of Correlation between Price of Service and Propensity-to-Complain

Correlations				
			Price of AIS Service	Propensity-to-Complain
Spearman's rho	Price of AIS Service	Correlation Coefficient	1.000	.138(**)
		Sig. (2-tailed)	.	.006

	N	400	400
Propensity-to-	Correlation Coefficient	.138(**)	1.000
Complain	Sig. (2-tailed)	.006	.
	N	400	400

** Correlation is significant at the 0.01 level (2-tailed).

In Table 5.20 it is shown that the Spearman’s Coefficient of Correlation is .138 and the double asterisk sign (**) shows that there is a relationship between price of service and propensity-to-complain of AIS customers. The correlation is significant at the 0.01 level under 2-tailed test. The p-value of .006 is less than 0.05, which leads toward rejection of H₀ 6 and acceptance of H_a 6.

5.2.2.3 Test of Correlation: Complexity of Service

H₀ 7: There is no relationship between complexity of product to customers and their propensity-to-complain.

H_a 7: There is a relationship between complexity of product to customers and their propensity-to-complain.

Statistically,

H₀ 7: $\rho = 0$

H_a 7: $\rho \neq 0$ (level of significance, $\alpha = 0.05$)

Table 5.21 Test of Correlation between Price of Service and Propensity-to-Complain

Correlations

			Complexity of AIS Service	Propensity- to-Complain
Spearman's rho	Complexity of AIS Service	Correlation Coefficient	1.000	-.152(**)
		Sig. (2-tailed)	.	.002
		N	400	400
	Propensity-to- Complain	Correlation Coefficient	-.152(**)	1.000
		Sig. (2-tailed)	.002	.
		N	400	400

** Correlation is significant at the 0.01 level (2-tailed).

In Table 5.21 it is shown that the Spearman’s Coefficient of Correlation is -.152 and the double asterisk sign (**) shows that there is a relationship between complexity of service and propensity-to-complain of AIS customers. The minus sign means the relationship is negative. The correlation is significant at the 0.01 level under 2-tailed test. The p-value of .002 is less than 0.05. Therefore, is H₀ 7 rejected and H_a 7 is accepted.

5.2.3 Customer Complaining Behavior

5.2.3.1 Test of Correlation: Benefit from Complaining

H₀ 8: There is no relationship between customers’ perception of benefit from complaining and their propensity-to-complain.

H_a 8: There is a relationship between customers' perception of benefit from complaining and their propensity-to-complain.

Statistically,

H₀ 8: $\rho = 0$

H_a 8: $\rho \neq 0$ (level of significance, $\alpha = 0.05$)

Table 5.22 Test of Correlation between Benefit from Complaining and Propensity-to-Complain

Correlations			Benefit from Complaining	Propensity-to-Complain
Spearman's rho	Benefit from Complaining	Correlation Coefficient	1.000	.318(**)
		Sig. (2-tailed)	.	.000
	Propensity-to-Complain	N	400	400
		Correlation Coefficient	.318(**)	1.000
		Sig. (2-tailed)	.000	.
		N	400	400

** Correlation is significant at the 0.01 level (2-tailed).

In Table 5.22 it is shown that the Spearman's Coefficient of Correlation is .318 and the double asterisk sign (**) indicates that there is a relationship between benefit from complaining and propensity-to-complain of AIS customers. The correlation is significant at the 0.01 level under 2-tailed test. The p-value of .000 is less than the level

of significance of 0.05, which means H_0 8 is rejected and H_a 8 is accepted. In other words, there is a relationship between benefit from complaining and propensity-to-complain.

5.2.3.2 Test of Correlation: Difficulty in Seeking Redress

- H_0 9: There is no relationship between customers' perception of difficulty in seeking redress and their propensity-to-complain.
- H_a 9: There is a relationship between customers' perception of difficulty in seeking redress and their propensity-to-complain.

Statistically,

H_0 9: $\rho = 0$

H_a 9: $\rho \neq 0$ (level of significance, $\alpha = 0.05$)

Table 5.23 Test of Correlation between Difficulty in Seeking Redress and Propensity-to-Complain

Correlations

			Difficulty in Seeking Redress	Propensity-to-Complain
Spearman's rho	Difficulty in Seeking Redress	Correlation Coefficient	1.000	.321(**)
		Sig. (2-tailed)	.	.000

Redress	N	400	400
Propensity-to-Complain	Correlation Coefficient	.321(**)	1.000
	Sig. (2-tailed)	.000	.
	N	400	400

** Correlation is significant at the 0.01 level (2-tailed).

Table 5.23 reports that the Spearman’s Coefficient of Correlation is .321 and the double asterisk sign (**) shows that there is a relationship between difficulty in seeking redress and propensity-to-complain of AIS customers. The correlation is significant at the 0.01 level under 2-tailed test. The p-value of .006 is less than 0.05, which leads toward rejection of H₀ 9 and acceptance of H_a 9. Therefore there is a relationship between difficulty in seeking redress and propensity-to-complain of AIS customers.

5.2.3.3 Test of Correlation: Complexity in Process of Complaining

H₀ 10: There is no relationship between customers’ perception of complexity in process of complaining and their propensity-to-complain.

H_a 10: There is a relationship between customers’ perception of complexity in process of complaining and their propensity-to-complain.

Statistically,

H₀ 10: $\rho = 0$

H_a 10: $\rho \neq 0$ (level of significance, $\alpha = 0.05$)

Table 5.24 Test of Correlation between Complexity in Process of Complaining and Propensity-to-Complain

Correlations

			Complexity in Process of Complaining	Propensity- to-Complain
Spearman's rho	Complexity in Process of Complaining	Correlation Coefficient	1.000	.286(**)
		Sig. (2-tailed)	.	.000
		N	400	400
	Propensity-to- Complain	Correlation Coefficient	.286(**)	1.000
		Sig. (2-tailed)	.000	.
		N	400	400

** Correlation is significant at the 0.01 level (2-tailed).

Table 5.24 reports that the Spearman’s Coefficient of Correlation is .286 and the double asterisk sign (**) shows that there is a relationship between complexity in process of complaining and propensity-to-complain of AIS customers. The correlation is significant at the 0.01 level under 2-tailed test. The p-value of .000, which indicates that H_0 should be rejected and H_a should be accepted, because .000 is less than 0.05. Therefore there is a relationship between complexity in process of complaining and propensity-to-complain of AIS customers.

5.2.3.4 Test of Correlation: Awareness of Specific Redress Schemes

H₀ 11: There is no relationship between customers' awareness of specific redress schemes and their propensity-to-complain.

H_a 11: There is a relationship between customers' awareness of specific redress schemes and their propensity-to-complain.

Statistically,

H₀ 11: $\rho = 0$

H_a 11: $\rho \neq 0$ (level of significance, $\alpha = 0.05$)

Table 5.25 Test of Correlation between Awareness of Specific Redress Schemes and Propensity-to-Complain

			Awareness of Specific Redress Schemes	Propensity- to-Complain
Spearman's rho	Awareness of Specific	Correlation Coefficient	1.000	.295(**)
	Redress Schemes	Sig. (2-tailed)	.	.000
		N	400	400
	Propensity-to-	Correlation Coefficient	.295(**)	1.000
	Complain	Sig. (2-tailed)	.000	.

Complain	N	400	400
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** Correlation is significant at the 0.01 level (2-tailed).

Table 5.24 reports that the Spearman’s Coefficient of Correlation is .295 and the double asterisk sign (**) shows that there is a relationship between awareness of specific redress schemes and propensity-to-complain of AIS customers. The correlation is significant at the 0.01 level under 2-tailed test. The p-value of .000, which indicates that H₀ 11 should be rejected and H_a 11 should be accepted, because .000 is less than 0.05. Therefore there is a relationship between awareness of specific redress schemes and propensity-to-complain of AIS customers.

5.2.3.5 Test of Correlation: Cost of Complaining – Time, Money and Effort

H₀ 12: There is no relationship between cost of complaining of customers and their propensity-to-complain.

H_a 12: There is a relationship between cost of complaining of customers and their propensity-to-complain.

Statistically,

H₀ 12: $\rho = 0$

H_a 12: $\rho \neq 0$ (level of significance, $\alpha = 0.05$)

Table 5.26 Test of Correlation between Cost of Complaining and Propensity-to-Complain

Correlations

			Cost of Complaining	Propensity- to-Complain
Spearman's rho	Cost of Complaining	Correlation Coefficient	1.000	-.185(**)
		Sig. (2-tailed)	.	.000
		N	400	400
	Propensity-to- Complain	Correlation Coefficient	-.185(**)	1.000
		Sig. (2-tailed)	.000	.
		N	400	400

** Correlation is significant at the 0.01 level (2-tailed).

Table 5.26 shows that the Spearman's Coefficient of Correlation is -.185 and the double asterisk sign (**) shows that there is a relationship between cost of complaining and propensity-to-complain of AIS customers. The minus sign further indicates that the relationship is negative. The correlation is significant at the 0.01 level under 2-tailed test. The p-value of .000 is less than 0.05 significance level, which indicates that H_0 11 should be rejected and H_a 11 should be accepted. Therefore there is a negative relationship between cost of complaining and propensity-to-complain of AIS customers.

5.2.3.6 Test of Correlation: Past Experience

H_0 13: There is no relationship between past experience of customers and their propensity-to-complain.

H_a 13: There is a relationship between past experience of customers and their propensity-to-complain.

Statistically,

H₀ 13: $\rho = 0$

H_a 13: $\rho \neq 0$ (level of significance, $\alpha = 0.05$)

Table 5.27 Test of Correlation between Past Experience and Propensity-to-Complain

Correlations				
			Past Experience	Propensity-to-Complain
Spearman's rho	Past Experience	Correlation Coefficient	1.000	.312(**)
		Sig. (2-tailed)	.	.000
		N	400	400
	Propensity-to-Complain	Correlation Coefficient	.312(**)	1.000
		Sig. (2-tailed)	.000	.
		N	400	400

** Correlation is significant at the 0.01 level (2-tailed).

Table 5.24 reports that the Spearman’s Coefficient of Correlation is .312 and the double asterisk sign (**) shows that there is a relationship between past experience and propensity-to-complain of AIS customers. The correlation is significant at the 0.01 level under 2-tailed test. The p-value of .000, which indicates that H₀ 13 should be rejected and

H_a 13 should be accepted, because .000 is less than 0.05. Therefore there is a relationship between past experience and propensity-to-complain of AIS customers.

5.3 Summary of Hypothesis Testing

Table5.28 Summary of Hypothesis Testing

Hypothesis Statement	Test Statistic	Significance	Results
H ₀ 1: There is no difference in propensity-to-complain among different education groups. H _a 1: There is a difference in propensity-to-complain among different education groups.	Kruskal – Wallis Test	.000	Reject H ₀
H ₀ 2: There is no difference in propensity-to-complain among different income groups. H _a 2: There is a difference in propensity-to-complain among different income groups.	Kruskal – Wallis Test	.297	Accept H ₀
H ₀ 3: There is no difference in propensity-to-complain among different age groups.	Kruskal – Wallis Test	.000	Reject H ₀

H _a 3: There is a difference in propensity-to-complain among different age groups.			
H ₀ 4: There is no difference in propensity-to-complain among different genders.	Mann-Whitney U Test	.041	Reject H ₀
H _a 4: There is a difference in propensity-to-complain among different genders.			
H ₀ 5: There is no relationship between importance of service to customers and their propensity-to-complain.	Spearman's Rank Order Correlation	.763	Accept H ₀
H _a 5: There is a relationship between importance of service to customers and their propensity-to-complain.			
H ₀ 6: There is no relationship between price of service and customers' propensity-to-complain.	Spearman's Rank Order Correlation	.006	Reject H ₀
H _a 6: There is a relationship between price of service and customers' and their propensity-to-			

complain.			
H ₀ 7: There is no relationship between complexity of product to customers and their propensity-to-complain.	Spearman's Rank Order Correlation	.002	Reject H ₀
H _a 7: There is a relationship between complexity of product to customers and their propensity-to-complain.			
H ₀ 8: There is no relationship between customers' perception of benefit from complaining and their propensity-to-complain.	Spearman's Rank Order Correlation	.000	Reject H ₀
H _a 8: There is a relationship between customers' perception of benefit from complaining and their propensity-to-complain.			
H ₀ 9: There is no relationship between customers' perception of difficulty in seeking redress and their propensity-to-complain.	Spearman's Rank Order Correlation	.000	Reject H ₀
H _a 9: There is a relationship between customers'			

perception of difficulty in seeking redress and their propensity-to-complain.			
H ₀ 10: There is no relationship between customers' perception of complexity in process of complaining and their propensity-to-complain.	Spearman's Rank Order Correlation	.000	Reject H ₀
H _a 10: There is a relationship between customers' perception of complexity in process of complaining and their propensity-to-complain.			
H ₀ 11: There is no relationship between customers' awareness of specific redress schemes and their propensity-to-complain.	Spearman's Rank Order Correlation	.000	Reject H ₀
H _a 11: There is a relationship between customers' awareness of specific redress schemes and their propensity-to-complain.			
H ₀ 12: There is no relationship between cost of complaining of customers and their propensity-to-complain.	Spearman's Rank Order Correlation	.000	Reject H ₀

H _a 12: There is a relationship between cost of complaining of customers and their propensity-to-complain.			
H ₀ 13: There is no relationship between past experience of customers and their propensity-to-complain.	Spearman's Rank Order Correlation	.000	Reject H ₀
H _a 13: There is a relationship between past experience of customers and their propensity-to-complain.			

CHAPTER VI

Research Findings

This is the final chapter of this research report, in which the researcher will discuss about the concluding matters of the current research study. It starts from discussion of results. Then the conclusion is derived from it. The researcher will then discuss about the implication of the study and recommendation. Suggestions for further study will be the last to be discussed in this chapter.

6.1 Discussion of Results

6.1.1 Customer Characteristics

According to the research objective, the first group of independent variables (customer characteristics), namely, education level, income level, age and gender are subjected to the test of difference. For these 4 sets of hypotheses the researcher used 2 non-parametric tests. They are Kruskal-Wallis Test for education level, income level and age, and Mann-Whitney U Test for gender.

In hypothesis 1, the p-value of .000 from SPSS output indicated that H_0 1 should be rejected. Therefore, it is concluded that there is a difference in propensity-to-complain among different education groups: upto high school, diploma/bachelor degree and master's degree.

In hypothesis 2, the p-value of .297 indicated that H_0 2 should be accepted. Therefore the researcher reached to the conclusion that there is no difference in propensity-to-complain among different income groups, namely, below 10,000 baht, 10,000 – 29,999 baht and 30,000 baht and above.

In hypothesis 3, the p-value of .000 reported that H_0 3 should be rejected. When we reject H_0 3 we accept the statement that there is a difference between different age groups, namely, below 20, 20-40 and 40 and above regarding propensity-to-complain of AIS customers.

For hypothesis 4, the researcher used Mann-Whitney U Test and the p-value from SPSS output was .041, which indicated that H_0 4 should be rejected. Therefore, the researcher concluded that there is a difference in propensity-to-complain among male and female.

6.1.2 Service Significance

The second group of independent variables is service significance, which consisted of 3 variables. They are: importance of service, price of service and complexity of service. Since the hypotheses regarding these variables are about relationship the researcher used Spearman's Rank Order Correlation to find out the association with the dependent variable. This is again a non-parametric test as the distribution of data was not necessarily normal.

In hypothesis 5, the p-value of .763 indicated that H_0 5 should be accepted. H_0 5 states that there is no relationship between importance of service to customers and their propensity-to-complain. This finding is contrary to past study conducted by Day et al., (1981), as importance of service had a relationship with customers' propensity-to-complain. The reason for this may be due to not even one respondent choosing the extreme point in the scale, i.e. low importance. In other words, for most of the customers, AIS service is at least of some importance. The acceptance of H_0 5 is further reinforced by the correlation coefficient value of -.015. Here the minus sign has not much meaning as the relationship is very weak or almost absent.

The hypothesis 6 is also about relationship. Since from the SPSS output the p-value was obtained as .006, which leads the researcher to reject H_0 6. Therefore the alternative hypothesis is accepted, which says, there is a relationship between price of service and their propensity-to-complain. This is further confirmed by the correlation coefficient value of .138. Therefore, higher the price of service higher will be the propensity-of-complain. This confirms the past research done by Woodside, Seth & Bennet, (1977). But in this research the relationship between these variables is a weak one.

Hypothesis 7 is also about relationship and the researcher hypothesized about the complexity of product and their propensity-to-complain. The p-value of .002 obtained from SPSS output shows that H_0 7 should be rejected. Therefore the researcher concluded that there is a relationship between complexity of product to customers and their

propensity-to-complain. The correlation coefficient of $-.152$ further indicates the presence of association between the independent and dependent variable. Minus sign here indicates that the relationship is negative. Therefore higher the complexity, lower the propensity-to-complain of AIS customers. But the relationship is a weak one.

6.1.3 Customer Complaining Behavior

In hypothesis 8, the p-value obtained was $.000$, so the researcher rejects H_0 8 and accepts the alternative hypothesis, which states that there is a relationship between AIS customers' perception of benefit from complaining and their propensity-to-complain. Further, the correlation coefficient value was $.318$, which again indicates relationship. The relationship is a little more than weak. Therefore the researcher concluded that higher the benefit from complaining higher would be the propensity-to-complain confirming the findings of past research of Day et al. (1981).

Hypothesis 9 is about the relationship between AIS customers' perception of difficulty in seeking redress and their propensity-to-complain. The p-value of $.000$ in this case indicates that H_0 9 should be rejected. Therefore, the researcher concludes that there is a relationship between customers' perception of difficulty in seeking redress and their propensity-to-complain. Therefore higher the difficulty, higher will be the propensity-to-complain. The correlation coefficient value of $.321$ indicates that there is a relationship and is positive, but the association is not very strong.

The researcher rejects $H_0 10$ too, because the p-value of .000 and the correlation coefficient of .286 show that there is a positive relationship between complexity of process of complaining and propensity-to-complain of AIS customers. But the relationship is not very strong.

$H_0 11$ states that there is no relationship between customers' awareness of specific redress schemes and their propensity-to-complain. Since the p-value from the SPSS output was .000 the researcher rejected $H_0 11$. Thus there is a positive relationship between these 2 variables, which is also confirmed by the correlation coefficient value of .295, but the association is not very strong. Therefore higher the awareness of specific redress schemes to the AIS customers, higher would be their propensity-to-complain.

The researcher rejected $H_0 12$ in this case because p-value was .000. Therefore the researcher concluded that there is a relationship between cost of complaining of customers and their propensity-to-complain. Since the correlation coefficient value obtained was -.185 the relationship is weak and is negative. Therefore, higher the cost lower will be the propensity-to-complain. This finding is contrary to the past researchers Bolfing (1989) and Day (1984)'s findings.

The last hypothesis is about the relationship between past complaining experiences of AIS customers and their propensity-to-complain. The p-value of .000 leads the researcher to reject $H_0 13$ therefore it is concluded that there is a relationship between past experience of AIS customers and their propensity-to-complain. The

correlation coefficient of .312 indicates that the association is positive, but not very strong. Therefore better the past experience, higher will be the propensity-to-complain of AIS customers. This confirms the past research done by Landon (1977).

6.2 Conclusion

The research problem was to find out the difference in different demographic groups and relationships between other 2 groups of selected factors regarding CCB, namely, service significance and customer complaining behavior, and propensity-to-complain of AIS customers. These factors are selected on the basis of past researches done and are combined with the Day and Landon's Model of CCB to develop the conceptual framework. The research findings as mentioned above shows that there is at least a relationship or difference, between or in selected factors and propensity-to-complain of customers, except the factors income level and importance of service. The results showed that there is no difference in income groups with the propensity-to-complain and there is no association between importance of service and propensity to complain.

It has been found that CCB is not consistent with all the periods, people, culture, ethnicity, societies, profession, companies, industries, markets, nations, economies, etc. Therefore, various researches have different data to conclude about CCB (Conlon & Murray, 1996).

Most of the relationships between the selected factors and propensity-to-complain of AIS customers are found to be weak. This shows that for customers to decide whether or not to complain when dissatisfied is a complex process. It involves various factors, some of which is out of the scope of the current study.

The findings of this research are however regarded by the researcher as one of the major contributions in the CCB field. Having all the research questions answered and all the objectives met the researcher perceives this to be a successful research done.

6.3 Recommendation and Implication

Customers in the newly industrializing countries in Asia, like Thailand are currently being courted by marketers who realize that their very survival depends on the goodwill of these customers. If customers are not happy with their services and also prevented from achieving redress, they will resort to actions, which will prove detrimental to the marketers in the long run. On the other hand, if customers are encouraged to lodge complaints concerning unsatisfactory services, the marketers concerned are given the opportunities to remedy complaints and win back lost customers. In addition, these customers may also make positive reports about the marketers to others, thus avoiding the spread of negative word-of-mouth messages, which undoubtedly will discourage other potential customers. Even if the complaint is not settled to the customer's satisfaction, the customer is more likely to repurchase if he engages in complaint behavior than if no complaint was made. Complaint behavior of customers and

complaint handling by the company should therefore be viewed as an opportunity to enhance marketing effectiveness and not as a cost.

Complaint Handling refers to the strategies firms use to resolve and learn from service failures in order to re-establish the organization's reliability in the eyes of the customer. Prior research suggests that highly effective recovery efforts can produce a "service recovery paradox" in which secondary satisfaction (i.e. satisfaction after a failure and recovery effort) is higher than pre-failure levels. Employing a qualitative critical incident technique, asked respondents to recall a dissatisfactory service experience and then explain what made them feel dissatisfied. The results indicate that poor recovery efforts intensify customer dissatisfaction.

Prospect theory on the other hand suggests that losses are weighed more heavily than gains, and similarly, asymmetric disconfirmation proposes that negative performances have greater influence on satisfaction and purchase intentions than positive performances do. As such, several positive experiences may be needed to overcome one negative event, and customers reporting two failures may rate the firm lower despite effective recovery efforts. Likewise, Mittal, Ross & Baldasare (1998) found that each additional unit of positive performance has diminishing value. When a second failure occurs, complainants may focus more on the negative consequences associated with the failure, because these negative perceptions are more memorable.

Therefore, a customer who does not complain to the firm when dissatisfied is of special concern to management for several reasons. First, the company loses the opportunity to remedy the problem and retain a customer. Second, the firm's reputation can be damaged from negative word-of-mouth actions/communications taken by dissatisfied customer, resulting in the loss of potential and current customers. Finally, the firm is deprived of valuable feedback about the quality of its product or service, impeding its ability to identify quality variances and make improvements. Thus, insightful managers want to understand not only persons who voice their complaints but also those who do not. Most research attention has been on complaining as a response to dissatisfaction and a knowledge void exist with regard to noncomplaining.

Not only that but also true is the fact that world economy today is dominated by service industry, while service was once viewed as economic liability. But in today's context service is the part of organization through which it can compete with its competitors.

Good complaint handling is a vital element to customer service. In some areas where providers compete to supply a technically similar service, customer care is an area where an extra effort can make one company stand out from the crowd. People buying a phone line, for example, expect that the phone will work – and, if it doesn't, they expect a rapid and effective response to their complaint.

This is not a misprint. *Dissatisfied complainants are more likely to buy the product/service in the future than unhappy customers who didn't complain at all.* So simply by encouraging complaints future sales can actually be increased. By encouraging them and dealing with them well enough to leave customers satisfied, 75% of the potential lost sales caused by the original mishap can be recovered (Williams, 1996).

6.4 Further Study

Understanding of the complaint process and customer reactions would seem to be an area in which further research will pay dividends for both customers and organizations. Since this is a social science study, only one research cannot generate a new theory. Therefore various similar researches should be done to find out the concrete result. To understand the CCB regarding their propensity-to-complain further researches can be done accordingly.

First of all, the same kind of research can be done in a different location of Thailand as well as it can be done including respondents from many locations possible. Since CCB theory is linked with psychology and marketing theories, different results can be expected. Second, the similar study can be done by including other factors, e.g. personality factors, situational factors, emotional factors, etc, which were not employed in the current study. Past researches also show that these factors have great roles in leading customers to complain or not complain. Other variables that can be incorporated in the study are severity of the problem, durability of service, attitude towards complaining, attitude towards business, seriousness of the problem, convenience of the

complaint mechanism, reputation of the business, nature of problem, high cost of purchase, social climate, attribution of blame, and so on. Third, a similar research can be done for customers from other companies as well. Fourth, the study can be conducted on other kinds of services, e.g. hotel, hospital, airlines, etc or even the products.





Appendix

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Background of AIS – The Subject of the Study

Established in April 1996, Advanced Info Service PLC (AIS) with registered capital of 5 million baht, AIS had started its business as a computer rental service in Thailand. During its ever-expanding business operations from its establishment till today it has passed through various innovations, acquisitions and growth in its operations (www.ais900.com, Feb 2003).

AIS mainly has 2 kinds of customer bases. They are: individual customers and firms. To its customers it provides services like mobile phone service, paging service, linking ATMs service, linking banks' online computer system service, Internet counter service, and so on. In its industry it has succeeded in becoming market leader, except in some services (www.ais900.com, Feb 2003).

Thailand's largest mobile operator, AIS, caters for approximately 9 million mobile subscribers (September, 2002), and the aim is to raise the number of customers to 11 million by the end of 2002. AIS has been Comptel's customer since 1992, when Comptel supplied AIS with mediation and provisioning software for the company's NMT network. The key to AIS's success has been the ability to offer advanced services for both private and business customers (www.comptel.com, April 2003).

AIS operates Nordic Mobile Telephone (NMT) and Global System Mobile (GSM) telephone services through 900 MHz frequency under concession agreements with the TOT dated March 2, 1990 and Memorandum of Agreements attached thereto. The company has to pay a revenue sharing of 15% of its gross service revenue to TOT in the first 5 years. The rate shall be increased by 5% every subsequent 5-year throughout the 25 year concession period,

with a cap of 30% or the minimum amount as stipulated in the agreement for year 16-25. Such concession is a build-transfer-operate (BTO) type under which the company shall make investment and assume responsibilities for fund raising and the costs in connection therewith (www.ais900.com, Feb 2003).

After installation, the entire system shall fall into the ownership of TOT, and the Company shall be entitled to use the system for the operation of NMT and GSM Advance mobile phone services under the concession agreements. These are 2 systems that AIS uses and for the interested readers a short detail has been added in the appendix of this thesis.

AIS investments are mainly found in 4 organizations:

- Advanced Wireless Marketing Co., Ltd. (AWM)
- Advanced Paging Co. Ltd. (APG)
- Advanced DataNetwork Communication Co., Ltd. (ADC)
- Data Network Solutions Co., Ltd. (DNS) (www.ais900.com, Feb 2003).

AWM has fully-paid registered capital of 240 million baht. AIS holds 100% stake in it. Now AWM is the distributor of various communication equipments and NMT and GSM mobile phones. Apart from this AWM manages phone rental service, after-sales service, repair center, sale of refill of One-2-Call! and I-Station in Bangkok International Airport, Don Muang (www.ais900.com, Feb 2003).

Likewise, AIS also holds 100% stake in APG. It has fully-paid registered capital of 350,000,000 baht. The first nationwide paging service was first provided by AIS under the

name of Phonelink. Other value-added services of APG are Express Link to Phonelink, Short Message to Phonelink, Voice Mail Plus, Voice and Fax Mail Plus, Stock Broadcast, Stock Package, Stock Tracking and Moneylink (www.ais900.com, Feb 2003).

ADC has a fully-paid registered capital of 452,520,000 baht, but AIS holds only 67.95% stake. TOT has granted AIS the authority under concession agreement to run the services like linking computers in various premises, linking ATMs and linking banks' online computer system under the name of Datanet. The services are called Point-to-Point, Point-to-Multipoint, X.25, Frame Relay and ATM. In this service AIS's customers include banks, oil tanks, airlines, transportations and trading businesses. In this area, TOT is the market leader having market share 60%, whereas that of ADC is 11%. However, the backbone network for this is owned by ADC capable of providing services nationwide (www.ais900.com, Feb 2003).

DNS has a fully-paid registered capital of 1 million baht in which AIS holds 49% stake. DNS provides On-Line Data Communication. Currently DNS is providing its services to existing subscribers and selling equipment not related to its services (www.ais900.com, Feb 2003).

The target customers of AIS include top business owners, small business owners the young generation people and teenagers. Since AIS network coverage is extensive and efficient backed by various services, customers get what they want promptly (www.ais900.com, Feb 2003).

AIS has in the near future plan to connect mobile phones to the Internet. For this, it has set aside US\$ 200 million for research and development (www.ais900.com, Feb 2003).

Currently, AIS offers GSM Advance, Cellular 900 and One-2-Call! systems. It has, in the future, plan to provide personalized services as well as non-voice applications. Since in today's information age businessmen need information everyday vital for their businesses, the services will be provided by AIS to see latest news and other information in the mobile phones. In response to the rapidly increasing needs of the information age, it is also introducing Mobile Commerce, in which information sharing will be done through the Internet. Furthermore, new technologies, such as, SIM Toolkits, Mobile Banking and WAP are being introduced so that the customers can surf the Internet through their mobile phone no matter where or when (www.ais900.com, Feb 2003).

For better connections, more and more buildings are now equipped with GSM signal enhancements. By the end of 1999, AIS expanded its Cellular 900 network to 29 mobile telephone exchanges with 1,475 base stations. Likewise, those of GSM Advance network are 17 telephone exchanges and 1,543 base stations (www.ais900.com, Feb 2003).

In August 2002, Thailand's mobile markets covered approximately 20 per cent of a population of 60 million, in other words mobile customers accounted for a total of 11.3 million. The market share of AIS at the time was 62 per cent. Competitors are DTAC (34%) and TA Orange (4%) (www.comptel.com, April 2003).

AIS frequently introduces new products, such as One-2-Call! , which has already become very popular among target customers. The international roaming feature in the

network caters the customers involved in international businesses. As at 1999, this feature covered 60 countries and 117 networks worldwide and it's increasing more (www.ais900.com, Feb 2003).

AIS also provides services to the mobile phones subscribers from AIS Priority Call Center and AIS Priority Care Center nationwide. From its website www.ais900.com it provides the services to its customers called Service on the Net for mobile phone registration, telephone charge record, payment via net, outstanding payment check, and so on (www.ais900.com, Feb 2003).

AIS is confident in its strengths in all aspects – a well-qualified team of management and operation experts, extensive network coverage nationwide, constantly-updated products and services of international standards, and strong strategic partner such as Singapore Telecom International Pvt. Ltd. When concession amendment and the master plan in telecommunications development take effect to make way for market liberalization, the Company is ready to compete with new operators in the business. With years of experience and superb expertise, AIS knows inside-out of the Thai market – the culture and behavior of the Thai consumers (www.ais900.com, Feb 2003).

At the same time, AIS is always on top of the latest telecommunications technologies. Backed by more than one million subscribers, AIS has every reason to believe that, after market liberalization, the company will emerge, as always, the ultimate leader in telecommunications business in Thailand (www.ais900.com, Feb 2003).

PS: This is just a quick synopsis about AIS. All the aspects of the business are not covered here. The readers, if interested, please visit AIS official website www.ais900.com for more informaion (www.ais900.com, Feb 2003).

According to AIS, Comptel's best features are a thorough knowledge of the markets as well as investments in product development. These features also bring concrete benefits to an operator such as AIS, which continually develops its own functions and services. The key to AIS's success has been the ability to offer advanced services for both private and business customers (www.comptel.com, April 2003).

According to Arpattra Sringkarrinkul, "We have to continually respond to new challenges in the telecommunications business, which is related to, for example, the building of a new infrastructure and the preservation of customer satisfaction. With the help of mediation software, we achieve not only operational efficiency, but also significant competitive benefits. Comptel's high-quality technology, competence and continued product development work supports the growth strategy and development needs of business operations of AIS (www.comptel.com, April 2003)."

"Comptel will continue to be a very important partner for AIS in the future. We appreciate the ability of the company to take the customer's needs into account through ever-changing market circumstances (www.comptel.com, April 2003)."

Rationale for Selecting AIS

At present, the world is dominated by service industries and retail organizations, which require a substantial customer service function. Although service was once viewed as an economic liability that generated no real wealth, it has now emerged as a powerful economic entity. Fewer and fewer people are being required to produce manufactured goods, as both the economy and business are undergoing a major shift from a focus on goods to a focus on service. Thus, the service sector has become the fastest growing part of the economy (Lapidus & Pinkerton, 1995).

Mobile phone operating service is one of the services, which is a blend of a great deal of service attributes. Since the world economy is gradually shifting from product to service economy, it has brought about various industries where service takes more importance than product and mobile phone service is one of them.

In this context, the present research becomes relevant as it is about the customer complaining behavior. It is assumed that customer complaint handling is one of the major functions of this industry as a management requirement as well as a strategic tool.

AIS was established with a registered capital of Baht 5 million to run a computer rental business in 1986. And about a decade later, it acquired some organizations to provide mobile phone service. Since then, it has been the market leader. The monopoly broke since the introduction of DTAC a few years later. And now this duopoly has changed into oligopoly because of the introduction of new mobile phone operator TA

Orange owned by CP group. These are the 3 major players in mobile phone service industry today.

Today AIS holds more than 60% market share, which is the highest amongst the 3 players, DTAC having more than 30% and TA Orange having more than 5% (www.comptel.com, Date Visited: April 2003). So, this is one of the reasons that the researcher selected AIS for the research purpose. It is fairly estimated that, to date, more than 20% of Thailand's population has already subscribed mobile phone lines (www.comptel.com, Date Visited: April 2003).

As this research is done in the English medium, it is important that the useful information available for this study should be in English. AIS is one such organization that has a considerable amount of information printed in English. A question may arise that why not information in Thai be translated into English. This has a problem that translation creates hassle. Therefore, a smooth research may not be achieved. More important than that is the thing that errors may arise from translation. Unlike other companies, various information of AIS are available in English. Therefore, selection of AIS is justified.

AIS is the market leader in the oligopoly among its rivals DTAC and TA Orange. By commonsense too, the research done in the largest one will be better, because AIS, as the market leader, has more experience, resources, operation, efficiency, coverage, aspects, public relations, etc than its competitors.

AIS is a service-oriented company. It is trying to compete through service. Since this research is focused on the customer complaining behavior of the service industry, selection of AIS is once again justified.



Questionnaire

Hello Respondents!
Please read carefully.

This questionnaire is about Advanced Info Service Public Limited Company, Thailand (AIS). The purpose of this survey is to collect the data of AIS customers about their complaining behavior when they are dissatisfied with mobile phone service. Therefore, wherever it has been said “service” or “services”, you have to consider overall services provided by AIS related to mobile phones only.

Brief Information about this questionnaire:

- (1) This questionnaire contains 14 questions.
- (2) Please try your best to answer all the questions.
- (3) The questions are short and simple.
- (4) Please take your time to answer the questions accurately.
- (5) Various questions will be asked about mobile phone service(s) by AIS.
- (6) Your responses will be kept confidential.

Questions

(Please make a circle around the answer you choose)

1. Are you a Customer of AIS?

Yes

No

2. Have you anytime felt any kind of dissatisfaction with AIS service?

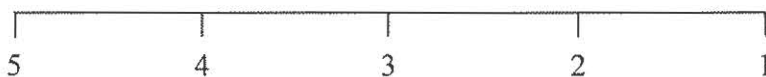
☐ Yes

☐ No (If No, please discontinue from this point)

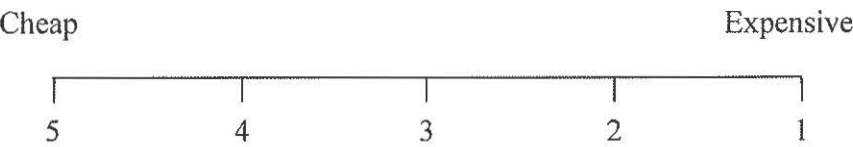
3. How important is AIS services to you?

High Importance

Low Importance



4. Price of AIS services is



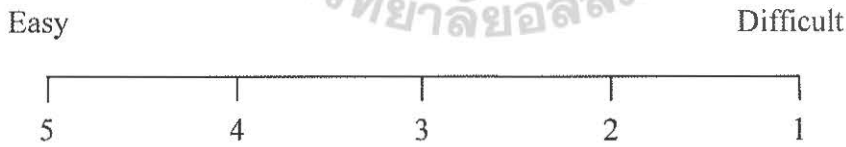
5. How complex is AIS services to you?



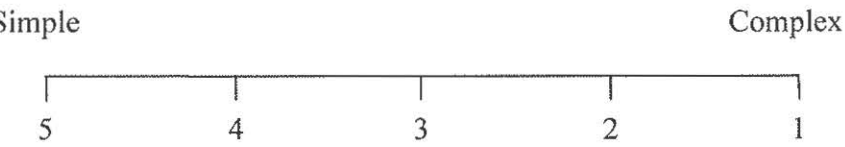
6. When you are dissatisfied, how much benefit do you think you will get from complaining?



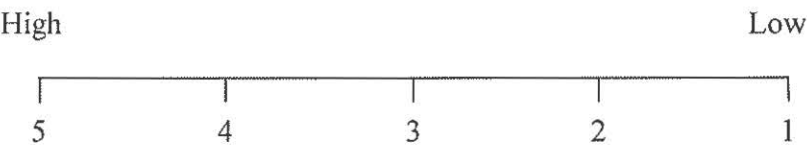
7. How difficult is it to seek redress? ("Redress" means the compensation that AIS provides to you when you complain when dissatisfied).



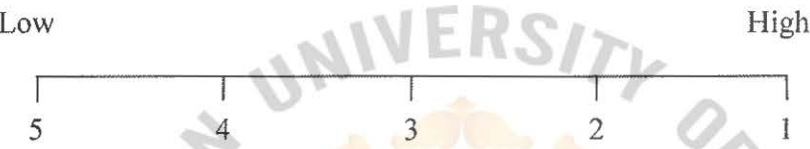
8. How complex is the process of complaining in AIS?



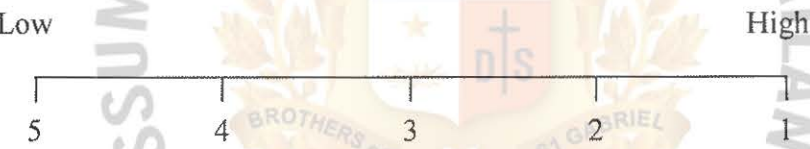
9. Your awareness about various redress schemes available in AIS is



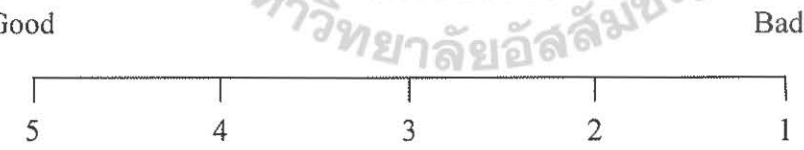
10. What do you think is your cost of complaining in monetary terms?



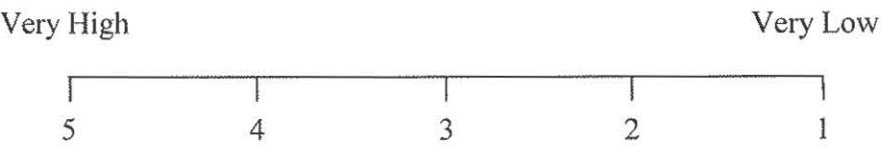
11. What do you think is your cost of time and effort for complaining?



12. Your past experience about complaining is



13. What is the probability of your complaining about the services, if you are dissatisfied?



14. Please give your details (This part is very important):

(a) What is your gender?

- ☐ Male
- ☐ Female

(b) What is your present age?

- ☐ Less than 20 years
- ☐ 20 – 40 years
- ☐ Greater than 40

(c) What is your average monthly income from all the income sources?

- ☐ Less than 10,000 baht
- ☐ 10,000 – 29,999 baht
- ☐ 30,000 baht & above

(d) Which is the highest level of education that you have completed or going to complete?

- ☐ Up to High School
- ☐ Diploma / Bachelor's Degree
- ☐ Master's Degree & Above

Thank You!

Have a good day!
